



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

---

## NEWS RELEASE

For immediate release

### ESR-REIT's AEI Plans for 2 Existing Properties Positioned to Attract High Value Tenants

- AEI expected to position ESR-REIT's portfolio to be 'future-ready', with construction expected to commence in 4Q2019
- Continues REIT Manager's strategy of asset enhancements to unlock portfolio value and attract high value tenants
- Estimated yield on cost of up to 9.0%

**Singapore, 17 June 2019** – ESR Funds Management (S) Limited, as manager of ESR-REIT, is pleased to announce that ESR-REIT has plans to conduct Asset Enhancement Initiatives (“**AEIs**”) on 2 existing assets in its portfolio. This includes utilising untapped plot ratio to develop a modern high-specification industrial facility (the “**New Building**”) on the site of 7000 Ang Mo Kio Avenue 5 (“**7000 AMK**”) as part of its strategy to unlock value in its portfolio, and rejuvenation works at UE BizHub EAST to enhance its 'work-live-play' factor to attract quality tenants in the Changi Business Park region. Both development works are estimated to cost approximately S\$45.7 million and are expected to provide an estimated yield on cost of up to 9.0%.

#### ***Developing a modern high-specs property to optimise value***

7000 AMK currently comprises a 6-storey production block and a 5-storey office block. The Manager has applied for provisional permission from the Urban Redevelopment Authority (URA) to develop the New Building at the site of the existing car park space adjacent to the current production and office blocks. The development of the New Building is part of the Manager's strategy to maximise unutilised plot ratio to unlock space value at 7000 AMK. The increase in plot ratio from 1.7 to 2.1 is expected to create a total development gross floor area (“**GFA**”) of approximately 270,000 square feet (“**sqft**”) of high-specification industrial space at 7000 AMK, with an estimated remaining 225,000 sqft for further development in the future.

7000 AMK is located within the Ang Mo Kio industrial estate, in close proximity to Ang Mo Kio and Hougang new towns. The New Building is easily accessible via Central Expressway (CTE), providing excellent access to arterial roads and well connected to Ang Mo Kio MRT station, Kovan MRT station and Hougang MRT station, serving the North-South Line and North-East Line respectively.



*Exterior façade of The New Building<sup>1</sup>*

The New Building will be developed as a high-specification industrial building offering a generous floor loading capacity and ceiling height. This standalone facility is expected to comprise 8 levels. Furthermore, an additional substation will be built, providing convenient access to an independent power source, ensuring that the New Building will be well-equipped to support a multitude of high value manufacturing functions with space that provides configuration flexibility suitable for single or multi-tenanted use. The New Building will also feature a modern façade. The Manager is in advanced negotiations with various prospective tenants to take up the available area at the New Building. Subject to regulatory approvals, construction of the New Building is targeted to commence in 4Q2019 and is expected to take 18 to 24 months to complete. ESR-REIT holds 80% economic interest in 7000 AMK with the remaining stake held by Ho Lee Properties Pte Ltd.

#### ***A new 'work-live-play' model***

Located close to Changi Airport in the eastern region of Singapore, UE BizHub EAST enjoys an excellent location in the heart of Changi Business Park, directly connected via an underground walkway to the Expo Station on the Downtown Line and interchange with the East West Line's Changi Airport branch line. Nestled within the larger Changi Business Park, UE BizHub EAST comprises a myriad of retail, hospitality, commercial and business park services including the 251-room Park Avenue Changi Hotel aimed at visiting business travellers, a convention centre as a venue-of-choice for MICE events and a wide range of F&B and lifestyle offerings for the surrounding working professionals.

---

<sup>1</sup> Artist's impression may differ from the actual view of the completed property.



*New and extended canopy and passenger drop-off area <sup>1</sup>*



*Enhanced communal spaces with alfresco dining and entertainment <sup>1</sup>*

Home to many financial services, IT and technology tenants, such as DBS Bank and Mizuho Bank, UE BizHub EAST will undergo AEI to continue to attract and retain quality tenants at the development. The drop-off area will be redesigned to improve traffic flow into the property. Access to the office lobbies will be reconfigured to ease navigation and improve accessibility. At the same time, works will be undertaken at the façade to give it a modern and contemporary boost. The internal food street will also be given a facelift to provide a refreshed dining concept and experience to better cater to the needs of the professional community surrounding the development. The rejuvenation is expected to refresh and reinforce UE BizHub EAST as the one of Singapore’s leading business parks in the East, working professionals in the vicinity can now look forward to a seamless work-live-play experience. AEI works at UE BizHub EAST are expected to commence in 4Q2019 and estimated to take approximately 12 months for completion. During this period, the property is expected to remain fully operational.

Adrian Chui, CEO of the Manager, said, “The AEIs will provide Unitholders with sustainable income and NAV growth over the long term. It will also enhance ESR-REIT’s portfolio, as this is part of ESR-REIT’s continuous process to optimise its portfolio through strategic asset enhancement initiatives to maximise unutilised plot ratio and asset rejuvenation which is in line with the REIT’s objective of delivering sustainable returns to our Unitholders over the long term. As Singapore moves towards the future economy, our building infrastructure and specifications need to keep up with such trends and technologies to become ‘future-ready’.”

The Manager will provide further details on these AEIs at the appropriate time.

-End-

---

For media and analyst enquiries, please contact:

**ESR Funds Management (S) Limited**

Gloria Low  
Corporate Communications Manager  
Tel: +65 6222 3339  
Email: [gloria.low@esr-reit.com.sg](mailto:gloria.low@esr-reit.com.sg)

Lyn Ong  
Investor Relations Manager  
Tel: +65 6222 3339  
Email: [lyn.ong@esr-reit.com.sg](mailto:lyn.ong@esr-reit.com.sg)

## About ESR-REIT

ESR-REIT has been listed on the Singapore Exchange Securities Trading Limited since 25 July 2006.

ESR-REIT invests in quality income-producing industrial properties and as at 31 March 2019 has a diversified portfolio of 57 properties located across Singapore, with a total gross floor area of approximately 14.1 million square feet and an aggregate property value of S\$3.03 billion<sup>2</sup>. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide.

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

- Acquisition of value-enhancing properties;
- 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](http://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 manages<sup>3</sup>. 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.

---

<sup>2</sup> 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.

<sup>3</sup> 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.