



## NOTICE OF BOOKS CLOSURE AND DISTRIBUTION PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Unitholders of ESR-REIT will be closed at **5.00 p.m.** on **3 February 2020** for the purpose of determining Unitholders' entitlements to ESR-REIT's distribution.

The Manager of ESR-REIT has announced a distribution of 0.855 cents per ESR-REIT unit for the period from 14 October 2019 to 31 December 2019 comprising the following components:

- Taxable income                      0.719 cents per unit
- Other gains                              0.136 cents per unit

Unitholders whose securities accounts with The Central Depository (Pte) Limited are credited with ESR-REIT units as at **5.00 p.m. on 3 February 2020** will be entitled to the distribution that will be paid on or around **9 March 2020**.

With reference to the Manager's announcement dated 25 October 2019 titled "Details of Cumulative Distribution in connection with the Preferential Offering", an advanced distribution per ESR-REIT unit for the period from 1 October 2019 to 13 October 2019 of 0.145 cents, comprising taxable income component of 0.118 cents and other gains component of 0.027 cents, was paid on 8 November 2019.

### DECLARATION FOR SINGAPORE TAX PURPOSES

#### A. Other gains distribution

The other gains component of the distribution is not taxable in the hands of all Unitholders. The Trustee and Manager of ESR-REIT will not have to deduct tax from such distributions.

#### B. Taxable income distribution

Tax will be deducted at source from the taxable income component of the distribution in certain circumstances. The following section describes the circumstances in which tax will or will not be deducted from such distributions.

1. The Trustee and the Manager of ESR-REIT will not deduct tax from distributions made out of ESR-REIT's taxable income that is not taxed at the trustee level of ESR-REIT to:
  - (a) Unitholders who are individuals and who hold the units either in their sole names or jointly with other individuals;
  - (b) Unitholders who are Central Provident Fund ("**CPF**") members who use their CPF funds under the CPF Investment Scheme and where the distributions received are returned to their CPF accounts;
  - (c) Unitholders who are individuals and use their Supplementary Retirement Scheme ("**SRS**") funds and where the distributions received are returned to their SRS accounts;
  - (d) Unitholders which are companies incorporated and tax resident in Singapore;
  - (e) Unitholders which are Singapore branches of companies incorporated outside Singapore;

- (f) Unitholders which are body of persons (excluding companies or partnerships) incorporated or registered in Singapore, such as:
- (i) statutory boards;
  - (ii) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
  - (iii) trade unions registered under the Trade Unions Act (Cap. 333);
  - (iv) charities registered under the Charities Act (Cap. 37) or established by any written law; and
  - (v) town councils;
- (g) Unitholders which are international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); and
- (h) Unitholders which are real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment.
2. For distributions made to Unitholders who do not fall within the categories stated under Note 1 above, the Trustee and the Manager of ESR-REIT will deduct tax at the rate of 10% if the Unitholders are:
- (a) foreign non-individual investors – for distributions made during the period from 18 February 2005 to 31 December 2025; or
  - (b) foreign funds – for distributions made during the period from 1 July 2019 to 31 December 2025.
- A foreign non-individual investor is one which is not a resident of Singapore\* for income tax purposes and;
- (i) which does not have a permanent establishment<sup>^</sup> in Singapore; or
  - (ii) which carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the units in ESR-REIT are not obtained from that operation.
- A foreign fund is one that qualifies for tax exemption under section 13CA, 13X or 13Y of the Income Tax Act that is not a resident of Singapore\* for income tax purposes and;
- (i) which does not have a permanent establishment<sup>^</sup> in Singapore (other than a fund manager in Singapore); or
  - (ii) which carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the units in ESR-REIT are not obtained from that operation.
3. Unitholders are required to complete the applicable Section A, B or C of the “*Declaration for Singapore Tax Purposes Form A*” (“**Form A**”) if they fall within the categories (d) to (h) stated under Note 1, Section D of Form A if they qualify as a foreign non-individual investor as described under Note 2, or Section E of Form A if they qualify as a foreign fund as described under Note 2.
4. The Trustee and the Manager of ESR-REIT will rely on the declarations made in Form A to determine (i) if tax is to be deducted for the categories of Unitholders listed in (d) to (h) under Note 1; and (ii) if tax is to be deducted at the rate of 10% for distributions to foreign non-individual investors and foreign funds as described under Note 2.

5. **Unitholders who fall within categories (a) to (c) under Note 1 are not required to submit Form A.** The gross distribution received by these unitholders (irrespective of their tax residence status) is exempt from tax. However, this tax exemption does not apply to such unitholders in respect of distribution derived by them through a partnership in Singapore or from the carrying on of a trade, business or profession. Such unitholders, i.e. to whom the exemption does not apply, must declare the distribution received as income in their income tax returns.
6. Unitholders who do not fall within the categories of Unitholders listed in Note 1 and Note 2 above can choose not to return Form A as tax will be deducted from the distributions made to them at the prevailing corporate tax rate in any case.
7. The Trustee and the Manager of ESR-REIT will deduct tax at the prevailing corporate tax rate from distributions made out of ESR-REIT's taxable income that is not taxed at the trustee level of ESR-REIT, in respect of units held by depository agents except where the beneficial owners of these units are:
  - (a) individuals and the units are not held through a partnership in Singapore;
  - (b) qualifying unitholders as listed in categories (d) to (h) under Note 1;
  - (c) foreign non-individual investors; or
  - (d) foreign funds.

For units held through the depository agents, the depository agents must complete the "*Declaration by Depository Agents for Singapore Tax Purposes Form B*" ("**Form B**") and its annexes.

8. Form A and Form B (and its annexes) will be sent to Unitholders and depository agents respectively, by ESR-REIT's Unit Registrar, B.A.C.S. Private Limited, on or around **6 February 2020**.
9. Unitholders (Form A) and depository agents (Form B and its annexes) will have to complete the forms legibly and send it to the Unit Registrar such that it is received by **5.00 p.m. on 20 February 2020**. The Trustee and the Manager of ESR-REIT will rely on the declarations made in Form A and Form B to determine if tax is to be deducted. Failure to comply with any of these requirements will render Form A and Form B invalid and the Trustee and the Manager of ESR-REIT will be obliged to deduct the appropriate amount of tax from the distributions in respect of which this announcement is made.
10. Unitholders who hold units under the Central Provident Fund Investment Scheme ("**CPFIS**") and the Supplementary Retirement Scheme ("**SRS**") do not have to return the Form as they will receive gross distributions paid to their respective CPFIS and SRS accounts.

### **IMPORTANT REMINDER**

**Unitholders and depository agents must complete and return the "*Declaration for Singapore Tax Purposes Form A and Form B (and its annexes)*" to B.A.C.S. Private Limited's office by 5.00 p.m. on 20 February 2020 in order to receive the distributions either at gross or at net as described above.**

### **DECLARATION IN INCOME TAX RETURN**

This distribution is considered as income for the year 2019. Beneficial owners of these distributions, other than those who are exempt from tax on distributions, are required to declare the taxable income component of the distributions as taxable income in their income tax return for the Year of Assessment 2020.

## IMPORTANT DATES AND TIMES

Timeline	Event
24 January 2020 (Fri)	Distribution Reinvestment Plan (“DRP”) is only offered to Unitholders with registered addresses in Singapore. Those Unitholders who are resident outside Singapore must provide to the Central Depository (Pte) Limited addresses in Singapore for the service of notices and documents if they are interested in the DRP.
9.00 a.m., 31 January 2020 (Fri)	Units will be traded ex-distribution
5.00 p.m., 3 February 2020 (Mon)	Closure of ESR-REIT’s Transfer Books and Register of Unitholders
5.00 p.m., 20 February 2020 (Thu)	Unitholders and depository agents must have completed and returned the “ <i>Declaration for Singapore Tax Purposes Form A and Form B</i> ” to the Unit Registrar, B.A.C.S. Private Limited.
9 March 2020 (Mon)	Payment of distribution

## 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

23 January 2020

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## Notes

- \* A Company is not a resident of Singapore if the management and control of its business is exercised outside Singapore.
  
- ^ Under the Singapore Income Tax Act, permanent establishment means a fixed place where business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. A Unitholder shall be deemed to have a permanent establishment in Singapore if it:
  - (i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
  
  - (ii) has another person acting on the Unitholder's behalf in Singapore who:
    - (a) has and habitually exercises an authority to conclude contracts;
    - (b) maintains stock of goods or merchandise for the purpose of delivery on its behalf;  
or
    - (c) habitually secures orders wholly and almost wholly for the Unitholder or for such other enterprises as are controlled by the Unitholder.



## About ESR-REIT

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

ESR-REIT invests in quality income-producing industrial properties and as at 31 December 2019 holds interest in a diversified portfolio of 57 properties located across Singapore, with a total gross floor area of approximately 15.1 million square feet and an aggregate property value of S\$3.04 billion<sup>1</sup>. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide.

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

- Acquisition of value-enhancing properties;
- 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. 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, Goldman Sachs, CPPIB, OMERS, 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 June 30, 2019, 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\$20.2 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 15.3 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

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

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



### Important Notice

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

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