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Overview of ESR-REIT
Overview of ESR-REIT
Listed on the SGX-ST, Backed By Strong Developer Sponsor ESR Group

- Listed on the SGX-ST since 25 July 2006 (formerly known as Cambridge Industrial Trust)
- Current market cap of c.S$742.2m(1)
- 48 quality income-producing industrial properties valued at S$1.68 billion across 5 sub-sectors

Diversified portfolio of 48 properties located across Singapore

Total GFA of c.9.9 million sq ft

Property value of S$1.68 billion

Located close to major transportation hubs and key industrial zones

Note:
(1) As at 31 December 2017.
Key Developments in FY2017
Key Developments in FY2017
Enabling ESR-REIT to Begin 2018 From a Position of Strength

Key developments in FY2017 enable ESR-REIT to begin 2018 from a position of strength

- Strategy to recycle capital from lower yielding non-core assets to scalable and value-adding acquisitions with long term growth prospects
- While taking a pro-active stance toward capital management

- ESR became developer Sponsor, majority shareholder and 2nd largest unitholder
- Name change to “ESR-REIT”
- Rejuvenated Board of Directors

- Announced/ completed 3 non-core divestments to improve portfolio returns and re-align portfolio
- Divested at above valuation and purchase price

- Issued S$150m NC5 Perpetual Securities at 4.6% coupon in Nov 2017
- Proposed Equity Fund Raising of up to 263m units; Sponsor commitment to take up to S$125m(1)
- Completed 2 yield-accretive acquisitions (c.S$346.1m) – 8 Tuas South Lane and 7000 Ang Mo Kio Ave 5; portfolio now valued at S$1.68b(2)
- 7000AMK is ESR-REIT’s largest transaction to date

Note:
(1) If the EFR includes a Preferential Offering, the Sponsor ESR, will undertake to subscribe in full its pro-rata entitlement and excess units up to a total subscription amount of not less than S$125.0 million.
(2) Includes valuation of 7000 Ang Mo Kio Avenue 5 (“7000 AMK”) on a 100% basis, in line with accounting policy.
## FY2017 At A Glance

### Proactive Asset Management
- WALE 4.3 years
- Healthy 93.0% occupancy
- Completed acquisition of 8 Tuas South Lane and 80% stake in 7000 Ang Mo Kio Ave 5 SPV\(^{(2)}\)

### Prudent Capital Management
- No refinancing till 4Q2018
- 100% of assets remains unencumbered
- S$150.0m NC5 PERP issued at 4.60% coupon
- Proposed EFR of up to 263m new units announced

### Financial Performance
- No capital distribution
- 100% management fees payable in cash
- DRP switched on

<table>
<thead>
<tr>
<th>DPU (Cents)</th>
<th>Gross Revenue</th>
<th>Net Property Income</th>
<th>Total Assets</th>
<th>NAV Per Unit (Cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.853</td>
<td>S$109.7m</td>
<td>S$78.4m</td>
<td>S$1.70bn(^{(1)})</td>
<td>59.3</td>
</tr>
</tbody>
</table>

Note:
\(^{(1)}\) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, in line with accounting policy.
\(^{(2)}\) SPV holds 100% interest in 7000 Ang Mo Kio Ave 5 property.
Key
Investment
Highlights
Key Investment Highlights
ESR-REIT’s Competitive Strengths – Resilient Portfolio Poised to Take on the Next Stage of Growth
ESR-REIT’s portfolio is more balanced with the move from single-tenanted to multi-tenanted since 2012
- Renewed and leased approximately 1,190,578 sq ft of leases in FY2017
- Tenant retention rate of 51.1%
- Rental reversion of -15.8%\(^{(1)}\) for FY2017

**WALE by Rental Income (2012)**

- 2013: Single-Tenanted 4.4%, Multi-Tenanted 11.0%
- 2014: Single-Tenanted 21.9%, Multi-Tenanted 2.5%
- 2015: Single-Tenanted 10.8%, Multi-Tenanted 16.5%
- 2016: Single-Tenanted 1.1%, Multi-Tenanted 22.8%
- 2017+: Single-Tenanted 1.7%

**WALE by Rental Income (as at 31 Dec 2017)**

- 2018: Single-Tenanted 15.2%, Multi-Tenanted 7.2%
- 2019: Single-Tenanted 15.5%, Multi-Tenanted 2.1%
- 2020: Single-Tenanted 10.2%, Multi-Tenanted 10.9%
- 2021: Single-Tenanted 3.0%, Multi-Tenanted 1.7%
- 2022: Single-Tenanted 2.1%, Multi-Tenanted 7.6%
- 2023+: Single-Tenanted 17.3%

Note:
- (1) Excludes 21B Senoko Loop.
Resilient & Balanced Portfolio (cont’d)
Value-Enhancing Acquisition to Expand Real Estate Portfolio

Acquisition of 8 Tuas South Lane

Description
Five detached factories, one 8-storey warehouse and four blocks of dormitory buildings

Gross Floor Area
c.781,126 square feet

Remaining Land Tenure
c.36 years

Purchase Consideration
S$106.1 million

Independent Valuation
S$115.0 million

Lease Term
15 years for majority of the space (with Hyflux), with built-in rental escalations

Acquisition Completed
13 December 2017

Benefits of the Acquisition

☑ Broadens portfolio and tenant base by including Hyflux on a long-term lease with built-in rental escalation

☑ Potential to tap on to the future Tuas Megaport

☑ Increases portfolio WALE
Resilient & Balanced Portfolio (cont’d)
Value-Enhancing Acquisition to Expand Real Estate Portfolio

Acquisition of 7000 Ang Mo Kio Ave 5

<table>
<thead>
<tr>
<th>Benefits of the Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Augments portfolio for long-term growth</td>
</tr>
<tr>
<td>✓ Income diversification and enlarged tenant base</td>
</tr>
<tr>
<td>✓ Increases portfolio WALE</td>
</tr>
<tr>
<td>✓ Potential upside from developing un-utilised plot ratio</td>
</tr>
<tr>
<td>✓ Enhancement of ESR-REIT’s portfolio quality</td>
</tr>
</tbody>
</table>

**Address**
7000 Ang Mo Kio Avenue 5 ("7000AMK")\(^{(1)}\)

<table>
<thead>
<tr>
<th>Remaining Land Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>c.39 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase Consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>S$240.0 million(^{(2)}) (80% interest)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>S$303.0 million (100% basis)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gross Floor Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,073,233 square feet</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Lettable Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>834,783 square feet</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-storey high-specifications production block</td>
</tr>
<tr>
<td>5-storey ancillary office block</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Anchor Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>High value-added manufacturers, data centre operators, power and utilities companies and telecommunication companies such as Heptagon Micro Optics Pte. Ltd., SP Services Ltd and StarHub Ltd.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Committed Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>91.9% (as at 1 December 2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 (as at 1 December 2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WALE by Rental Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acquisition Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 December 2017</td>
</tr>
</tbody>
</table>

**Note:**
- Refers to an acquisition of 80% interest in 7000 AMK Pte. Ltd. (the "AssetCo"), which holds 100% of the leasehold interest in 7000 Ang Mo Kio Avenue 5 ("7000 AMK", together the “Acquisition”).
- Put and call options for the remaining 20% interest in AssetCo is exercisable by either party within a 12-month period. The purchase price for the remaining 20% interest in AssetCo will be no less than S$60.0 million. Includes a shareholder’s loan of S$50.5 million to be provided to the AssetCo on completion. Excludes acquisition fee payable to the Manager of S$2.4 million, stamp duties of approximately S$0.5 million and other transaction costs of approximately S$0.6 million. Estimated total cost of the acquisition is approximately S$243.5 million.

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\(^{(1)}\) Refers to an acquisition of 80% interest in 7000 AMK Pte. Ltd. (the “AssetCo”), which holds 100% of the leasehold interest in 7000 Ang Mo Kio Avenue 5 (“7000 AMK”, together the “Acquisition”).

\(^{(2)}\) Put and call options for the remaining 20% interest in AssetCo is exercisable by either party within a 12-month period. The purchase price for the remaining 20% interest in AssetCo will be no less than S$60.0 million.
Singapore’s economy grew by 3.1\%(1) y-o-y in 4Q2017, supported primarily by output expansion in the electronics and precision engineering clusters and PMI posting a reading of 52.6.

- Based on past experience, the time lag between economic activity and impact on industrial space rentals is generally c.9-12 months.

Outlook of industrial sector still subdued due to existing supply imbalance, but Edmund Tie & Company (“ETC”) reports signs of market improvement.

- CBRE says in light of the strengthening trade environment, the industrial market is likely to reach a “soft landing” in 2018.

ETC also said industrial spaces that have the infrastructure and facilities to support restructured manufacturing sectors will be in demand.

From now until end 2018, JTC estimates 2.3 million sqm of industrial space (representing 5% of current industrial stock) will come on-stream.

- Limited supply expected from 2019-2021 thereafter.

Note: Data from Edmund Tie & Company, CBRE and JTC 3Q 2017 Industrial Property Statistics.

(1) Based on advanced GDP estimates announced by MTI on 2 January 2018.
## Diversified Tenant Network

No Industry Trade Sector Accounts For More Than 12.7% of ESR-REIT’s Rental Income\(^{(1)}\)

- **Portfolio is well-diversified across 4 primary industry segments with no individual sub-sector accounting for more than 12.7% of ESR-REIT’s rental income**
- **ESR-REIT’s rental income is derived from over 20 different sub-sectors**
- **Notable key tenants include:**

1. **Car Distribution**, 2.8%
2. **Architecture and Engineering Activities and Related Technical Consultancy**, 3.2%
3. **Professional Computer, Electronic and Optical Products**, 3.4%
4. **Others (Wholesale)**, 1.1%
5. **Education**, 1.3%
6. **Construction, Civil & Engineering Services**, 3.1%
7. **Other Services**, 3.5%
8. **Data Centre**, 4.1%
9. **Others**, 0.4%
10. **M&E Services and Gas Supply**, 1.1%

(1) Breakdown by Trade Sectors (by Rental Income) (4Q2017).
Diversified Tenant Network (cont’d)

Diversified Portfolio Across Tenant Base and Asset Class

Top 10 Tenants Account for 38.7% of Rental Income⁽¹⁾ (4Q2017)

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Rental Income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyflux Membrane Manufacturing (S) Pte. Ltd.</td>
<td>6.5%</td>
</tr>
<tr>
<td>Venture Corporation Limited</td>
<td>6.2%</td>
</tr>
<tr>
<td>Heptagon Micro Optics Pte Ltd</td>
<td>6.1%</td>
</tr>
<tr>
<td>Nobel Design Holdings Pte. Ltd</td>
<td>4.5%</td>
</tr>
<tr>
<td>Data Centre Operator</td>
<td>3.8%</td>
</tr>
<tr>
<td>HG Metal Manufacturing Limited</td>
<td>3.0%</td>
</tr>
<tr>
<td>Eurosports Auto Pte Ltd</td>
<td>2.8%</td>
</tr>
<tr>
<td>StorHub Kallang Pte. Ltd</td>
<td>2.0%</td>
</tr>
<tr>
<td>High Value-Added Manufacturer⁽²⁾</td>
<td>1.9%</td>
</tr>
<tr>
<td>Soon Wing Investments Pte Ltd</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

Asset Class by Rental Income
No asset class accounts for > 34.7% of rental income

Single-Tenanted vs Multi-Tenanted by Rental Income
Stable mix of single and multi-tenanted portfolio

Note:
⁽¹⁾ Excludes Tellus Marine Engineering Pte Ltd as the lease has been pre-terminated in January 2018.
⁽²⁾ Tenant cannot be named due to confidentiality obligations.
**Prudent Capital and Risk Management**

100% Unencumbered Assets, with 69.2% of Interest Rates Fixed for the Next 1.9 Years

- S$150.0 million in NC5 Perpetual Securities raised at a 4.6% coupon on 3 Nov 2017
- Proposed Equity Fund Raising (“EFR”) of up to 263 million new units announced
  - Sponsor will undertake to subscribe in full its pro-rata entitlement and excess units up to a total subscription amount of S$125.0 million\(^{(1)}\)
  - Mitsui has committed to subscribe in full its pro-rata entitlement\(^{(1)}\)
  - Post proposed EFR exercise, c.85% of interest rate exposure is expected to be fixed, and Debt to Total Assets is expected to reduce to c.32.4%, which will provide potential debt head room of up to S$387.4 million for financing flexibility

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2017</th>
<th>As at 31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Debt (S$ million)</td>
<td>672.0</td>
<td>512.5</td>
</tr>
<tr>
<td>Debt to Total Assets (%)</td>
<td>39.6</td>
<td>37.5</td>
</tr>
<tr>
<td>Weighted Average All-in Cost of Debt (%) p.a.</td>
<td>3.55</td>
<td>3.71</td>
</tr>
<tr>
<td>Weighted Average Debt Expiry (years)</td>
<td>2.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Interest Coverage Ratio (times)</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Interest Rate Exposure Fixed (%)</td>
<td>69.2</td>
<td>90.7</td>
</tr>
<tr>
<td>Proportion of Unencumbered Investment Properties (%)</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Available Committed Facilities (S$ million)</td>
<td>43.0</td>
<td>102.5</td>
</tr>
</tbody>
</table>

**Note:**
(1) If the Equity Fund Raising includes a Preferential Offering.
## Active Asset Management

### Divestments of Non-Core Assets to Improve Portfolio Returns

Divestments of non-core assets remain a part of our strategy to continuously improve our portfolio and returns.

<table>
<thead>
<tr>
<th>Property</th>
<th>Sale Consideration</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 Ubi Avenue 3</td>
<td>▪ S$22.1 million&lt;br▪ 0.6% above valuation&lt;br▪ 17.7% above acquisition price</td>
<td>▪ 29 August 2017</td>
</tr>
<tr>
<td>87 Defu Lane 10</td>
<td>▪ S$17.5 million&lt;br▪ 0.6% above valuation&lt;br▪ 34.0% above acquisition price</td>
<td>▪ 16 November 2017</td>
</tr>
<tr>
<td>23 Woodlands Terrace</td>
<td>▪ S$17.7 million&lt;br▪ 2.8% above valuation&lt;br▪ 14.8% above acquisition price</td>
<td>▪ 7 December 2017</td>
</tr>
</tbody>
</table>
The management of ESR-REIT has collective experience of more than 70 years in the real estate and financial services industries.
ESR-REIT has adopted a 3-pronged strategy to maximise returns to unitholders, leveraging on ESR’s expertise:

- **Asset enhancements** to unlock value
- **Proactive asset management** to maximise unitholder returns
- Regular review of portfolio and to recycle capital and enhance portfolio quality
- **Leverage on ESR’s capabilities:**
  - Tap into ESR’s client network to enhance REIT’s tenant quality and diversify tenant base
    - One of the largest landlords of leading e-commerce companies in China
  - May provide solutions to existing ESR tenants who are keen to expand into this region

- **Evaluation of yield-accrative and value-enhancing opportunities in Singapore and overseas**
  1) Overseas expansion to focus on scalability in markets where ESR has a presence
     - Eg. Australia, China, Japan, Korea
  2) **Potential pipeline from Sponsor**
     - c.10.2 m sqm in operation and under-development projects across China, Japan and Korea
  3) Increased acquisition opportunities from ESR’s network

- **Approval of General Mandate obtained at 2017 AGM provides financial flexibility to execute growth plans**

- **Potential investment into development projects**
  - ESR-REIT is permitted to take up to 10% of its deposited properties
  - May potentially participate alone or jointly with ESR

- Provides potential upside kicker; downside protected from stable income generating assets

- **Further able to take on more development projects** as ESR-REIT grows in size

- Leverage on ESR’s proven track record and built-to-suit (“BTS”) development capabilities
  - Developer of BTS warehousing and distribution facilities for leading global e-commerce companies
ESR Group is the REIT’s second largest unitholder; has c.80% stake in the REIT Manager, c.100% stake in Property Manager and a c.12% stake in the REIT
**Strong and Committed Sponsor (cont’d)**

ESR Group - Leading “Pure Play” Pan-Asian Logistics Real Estate Platform

- Focused on developing and managing modern, institutional-quality logistics facilities with a high quality tenant base
- Co-founded by Warburg Pincus and backed by blue-chip institutional investors, including:
  - **Equity Investors**
    - Warburg Pincus
    - Goldman Sachs
    - StepStone
    - SK
    - State Street Global Advisors
  - **Fund Level Investors**
    - CPP Investment Board
    - China Ping An
    - PGGM
  - **External Assets Under Management**
    - >US$10 billion
  - **GFA**
    - 10.2 million sq metres in operation and under development

- With operations across China, Japan, Korea, Singapore and India, ESR has emerged as a leading “pure play” Pan-Asian logistics real estate platform
- ESR-REIT has “first look” on the pipeline of assets in an increasingly asset scarce environment for quality logistics assets
- In August 2017, SK Holdings made a strategic equity investment of USD 333 million for a 10% fully diluted stake in ESR

**China**
- One of the top players by logistics facilities area
- A leading landlord of key global e-commerce players

**Korea**
- One of the largest modern warehouse developers in Korea upon completion of projects under development

**Japan**
- One of the highest starts by value in 2015 and 2016
- Strong execution and capital market capability to manage sizable developments

**Singapore**
- Invested in ESR-REIT, an early industrial S-REIT player with >9m sq ft of GFA
- c.12% stake in ESR-REIT; c.80% stake in ESR-REIT Manager and c.100% stake in its Property Manager

**India**
- To build a leading real estate platform in both size and volume
- Initial focus on Tier-1 city agglomerations

**Australia**
- Entered Australia market in 2017 and became the largest shareholder of Propertylink and Centuria Capital which collectively have over A$6b of AUM

**Note:** Information above as of 31 December 2017.
## Strong and Committed Sponsor (cont’d)
Ability to Leverage Off Sponsor’s Network and Expertise

Strategic relationship with leading global e-commerce companies, retailers, logistic service providers/3PLs and manufacturers

### Landlord of E-Commerce Companies & Retailers
- One of the largest landlords of leading e-commerce companies in China
- One of the major warehouse facilities providers for offline retailers
- Examples of key clientele:
  - Former clients of Redwood founders.

### Collaborations with 3PLs / Logistics Operators
- Strategic alliance with major 3PLs and reputable logistics service providers
- Examples of key clientele:
  - DHL
  - FedEx
  - ASKUL
  - OOCL
  - EXPRESS
  - DACHSER
  - ZM LOGISTICS
  - LF LOGISTICS
  - Kerry EAS

### Built-to-suit Logistics Solutions Provider & Reliable Landlord
- Developing built-to-suit state of the art modern warehousing and distribution facilities for leading global e-commerce companies and manufacturers
- One of the landlords of choice for cold-storage users
- Examples of key clientele:
  - JD
  - 1yhd.com
  - DAIMLER

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**Note:**
(1) Former clients of Redwood founders.
Appendix
ESR-REIT’s Key Milestones
12 Years of Development, Chartering Into A New Growth Phase

- **2006**
  - Listing of Cambridge Industrial Trust ("CIT") on the SGX-ST

- **2007**
  - Launched first private placement in the USA under Rule 144A – the first Singapore REIT to raise funds in this manner
  - Acquisition of majority ownership of CITM by NAB, Oxley Capital and Mitsui remain as JV partners
  - S$358m IRS completed
  - Established S$100m of revolving credit facilities

- **2008**
  - Private placement of S$280m for AEI and working capital purposes
  - Completed S$390.1m of loan refinancing

- **2009**
  - Private placement of S$70.0m and preferential offering of $20.4m
  - Awarded the “Best Deal in Singapore 2009” at the Asset Triple A Asian Awards for raising S$390.1m in 2009

- **2010**
  - Rights issue of S$56.7m for acquisition of 3 properties
  - Refinanced S$320m of loan facilities

- **2011**
  - Issued S$30m of 4.10% fixed rate notes due 2020
  - Issued S$100m of 3.50% fixed rate notes due 2018
  - Won prestigious Solar Pioneer Award at the Asia Clean Energy Summit from EDB Singapore

- **2012**
  - Established S$500m Multi-currency MTN Programme
  - Issued S$50m of 4.75% fixed rate notes
  - Established S$40m revolving credit facility
  - Increased existing S$100m short term loan facility and S$50m revolving credit facility

- **2013**
  - Issued S$50m of 3.95% fixed rate notes due 2023
  - Entry into S$100m unsecured loan facility
  - Published first Sustainability Report, one of the first few companies in Singapore to do so
  - Completed the notification process with JFSA, the first S-REIT to do so

- **2014**
  - Entered into S$250m IRS and reduced all-in cost of debt
  - Refinanced S$100m of term loan facility and S$50m of revolving credit facility
  - Refinanced and converted S$120m of acquisition term loan to S$100m loan facility

- **2015**
  - Refinanced S$250m Club Loan, unencumbering S$1.1b of assets
  - Issued S$55m of 3.50% fixed rate notes due 2018 and S$130m of 3.95% fixed rate notes due 2020
  - Won the Adam Smith Asia Award for Best Financing Solution in 2015

- **2016**
  - Issued S$50m of 3.95% fixed rate notes due 2023
  - Entry into S$100m unsecured loan facility
  - Published first Sustainability Report, one of the first few companies in Singapore to do so
  - Completed the notification process with JFSA, the first S-REIT to do so

- **2017**
  - e-Shang Redwood acquires c.80% indirect stake in Manager from NAB and Oxley (remaining 20% in Manager held by Mitsui), and c.12% of REIT units, becoming REIT’s second largest unitholder
  - Cambridge Industrial Trust changes its name to “ESR-REIT”

- **Present**
  - Issued S$150m of 4.6% subordinated perpetual securities as part of the S$750m Multicurrency MTN programme
  - Proposed equity fund raising via the issuance of up to 263.0m new units in ESR-REIT
### FY2017 Financial Results

#### Key P/L Financials

<table>
<thead>
<tr>
<th></th>
<th>FY2017 (S$ million)</th>
<th>FY2016 (S$ million)</th>
<th>YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>109.7</td>
<td>112.1</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Net Property Income</td>
<td>78.4</td>
<td>82.3</td>
<td>(4.7)</td>
</tr>
<tr>
<td>Amount Available for Distribution</td>
<td>51.5</td>
<td>54.5</td>
<td></td>
</tr>
<tr>
<td>- Perpetual Securities Holders</td>
<td>1.1</td>
<td>-</td>
<td>n.m.</td>
</tr>
<tr>
<td>- Unitholders</td>
<td>50.4</td>
<td>54.5</td>
<td>(7.5)</td>
</tr>
<tr>
<td><strong>Distribution Per Unit</strong> (&quot;DPU&quot;) (cents)</td>
<td>3.853</td>
<td>4.173</td>
<td>(7.7)</td>
</tr>
</tbody>
</table>

**Note:**

1. Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, in line with accounting policy.
2. Includes straight line rent adjustment of S$0.8 million (FY2016: S$1.7 million).
3. Lower net property income mainly due to higher property operating expenses from lease conversions of properties during the year and full year impact of our leases converted in the prior year.
4. Includes Non-Controlling Interest ("NCI") of 20% of 7000 AMK in 4Q2017.
5. Lower distributable income due to master lease conversion, property divestments, higher property expenses offset by leasing up and contributions from new acquisition.

#### Key Balance Sheet Financials

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2017 (S$ million)</th>
<th>As at 31 Dec 2016 (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Properties</td>
<td>1,675.8(1)</td>
<td>1,354.0</td>
</tr>
<tr>
<td>Other Assets</td>
<td>20.0</td>
<td>13.0</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>1,695.8</td>
<td>1,367.0</td>
</tr>
<tr>
<td>Total Borrowings (net of loan transaction costs)</td>
<td>669.8</td>
<td>509.6</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>29.1</td>
<td>30.4</td>
</tr>
<tr>
<td>Non-Controlling Interest</td>
<td>60.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>765.8</td>
<td>540.0</td>
</tr>
<tr>
<td><strong>Net Assets Attributable to Unitholders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Perpetual Securities Holders</td>
<td>151.1</td>
<td>-</td>
</tr>
<tr>
<td>- Unitholders</td>
<td>778.9</td>
<td>827.0</td>
</tr>
<tr>
<td><strong>No. of Units Issued</strong> (million)</td>
<td>1,313.6</td>
<td>1,304.4</td>
</tr>
<tr>
<td><strong>NAV Per Unit (cents)</strong></td>
<td>59.3</td>
<td>63.4</td>
</tr>
</tbody>
</table>
# Key Portfolio Statistics

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2017</th>
<th>As at 30 Sep 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Properties</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Valuation (S$ million)</td>
<td>1,675.8&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1,332.0</td>
</tr>
<tr>
<td>GFA (million sq ft)</td>
<td>9.9</td>
<td>8.2</td>
</tr>
<tr>
<td>NLA (million sq ft)</td>
<td>9.0</td>
<td>7.6</td>
</tr>
<tr>
<td>Weighted Average Lease Expiry (“WALE”) (years)</td>
<td>4.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Weighted Average Land Lease Expiry (years)</td>
<td>33.8</td>
<td>33.1</td>
</tr>
<tr>
<td>Occupancy (%)</td>
<td>93.0</td>
<td>91.1</td>
</tr>
<tr>
<td>Number of Tenants</td>
<td>207</td>
<td>206</td>
</tr>
<tr>
<td>Security Deposit (months)</td>
<td>7.0</td>
<td>8.0</td>
</tr>
</tbody>
</table>

Note:
(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, in line with accounting policy.
Development and AEI Capabilities
Pro-active Approach Targeted At Maximising Portfolio’s Return

**Active Asset Management**
- Delivering quality properties and customer service
- Operational efficiency and cost management
- Focus on tenant retention and effective marketing
- Adopting green practices and initiatives

**Asset Enhancement**
- Enhancement of assets’ marketability to stay current in changing market
- Engagement with tenants to facilitate expansion needs

**Acquisitions**
- Improve overall quality of portfolio
- Sourcing of overseas properties to strengthen portfolio’s diversification and resilience

**Divestments**
- Divestment of non-core assets to optimise unitholder value
- Recycling of capital for acquisition of higher-yielding quality properties

- **Sustainability of income**
- **Long-term stability to REIT**
- **Optimise value of portfolio**
- **Maximum returns to unitholders**
ESR-REIT Development Capabilities
Pro-active Team Focused on Delivering Customer-Focused Solutions

- Track record in acquiring strategic assets and managing built-to-suit development projects
- Specifically address requirements of our clients and their projects
- Team of experienced professionals who pro-actively manage every aspect of the development to ensure we deliver quality results on time and on budget
- Sponsor ESR Group is a developer of built-to-suit warehousing and distribution facilities for leading global e-commerce companies

**The ESR-REIT Built-to-Suit Advantage:**
- Customised purpose-built facility to suit end user requirements
- Modern, innovative and sustainable solutions offered at market rents
- Maximising site and leased area efficiency using best-in-class, industry standards in construction technology
- Capital recycling initiatives which support business growth, resources and technology
- Integrated ownership, development and management model with a focus on sustainable development
- Dedicated team of pro-active and experienced in-house professionals with focus on developing long-term customer partnerships
- Extensive client network with presence in key and developing markets
- Consultative design process with streamlined single point-of-contact

![Built-to-Suit Projects](image)
![AEI & Redevelopment](image)
## ESR-REIT Portfolio Details

<table>
<thead>
<tr>
<th>Asset type</th>
<th>General Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$22.0m</td>
</tr>
<tr>
<td>Term of lease (years)</td>
<td>60.0 / 60.0</td>
</tr>
<tr>
<td>Remaining term of lease (years)</td>
<td>43.2 / 47.9</td>
</tr>
<tr>
<td>NLA (sqft)</td>
<td>125,870</td>
</tr>
<tr>
<td>Lease type</td>
<td>Master Lease</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Asset type</th>
<th>General Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$17.2m</td>
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<tr>
<td>Term of lease (years)</td>
<td>37.8</td>
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<tr>
<td>Remaining term of lease (years)</td>
<td></td>
</tr>
<tr>
<td>NLA (sqft)</td>
<td>96,625</td>
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<td>Lease type</td>
<td>Master Lease</td>
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<table>
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<th>Asset type</th>
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</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$37.5m</td>
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<td>Term of lease (years)</td>
<td>28.0</td>
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<tr>
<td>Remaining term of lease (years)</td>
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<tr>
<td>NLA (sqft)</td>
<td>245,172</td>
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<td>Lease type</td>
<td>Master Lease</td>
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<table>
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<th>Asset type</th>
<th>General Industrial</th>
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</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$12.0m</td>
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<tr>
<td>Term of lease (years)</td>
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<tr>
<td>Remaining term of lease (years)</td>
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<tr>
<td>NLA (sqft)</td>
<td>59,697</td>
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<td>Lease type</td>
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<table>
<thead>
<tr>
<th>Asset type</th>
<th>General Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$5.7m</td>
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<tr>
<td>Term of lease (years)</td>
<td>24.7</td>
</tr>
<tr>
<td>Remaining term of lease (years)</td>
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</tr>
<tr>
<td>NLA (sqft)</td>
<td>33,088</td>
</tr>
<tr>
<td>Lease type</td>
<td>Master Lease</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Asset type</th>
<th>General Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$16.3m</td>
</tr>
<tr>
<td>Term of lease (years)</td>
<td>49.1</td>
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<tr>
<td>Remaining term of lease (years)</td>
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</tr>
<tr>
<td>NLA (sqft)</td>
<td>76,003</td>
</tr>
<tr>
<td>Lease type</td>
<td>Master Lease</td>
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</table>

<table>
<thead>
<tr>
<th>Asset type</th>
<th>General Industrial</th>
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</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$42.9m</td>
</tr>
<tr>
<td>Term of lease (years)</td>
<td>315.522</td>
</tr>
<tr>
<td>Remaining term of lease (years)</td>
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</tr>
<tr>
<td>NLA (sqft)</td>
<td>315,522</td>
</tr>
<tr>
<td>Lease type</td>
<td>Master Lease</td>
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</table>

<table>
<thead>
<tr>
<th>Asset type</th>
<th>General Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation (S$m)(1)</td>
<td>$15.0m</td>
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<tr>
<td>Term of lease (years)</td>
<td>28.0</td>
</tr>
<tr>
<td>Remaining term of lease (years)</td>
<td></td>
</tr>
<tr>
<td>NLA (sqft)</td>
<td>98,864</td>
</tr>
<tr>
<td>Lease type</td>
<td>Master Lease</td>
</tr>
</tbody>
</table>

---

Source: Company filings. Portfolio statistics as at 31 Dec 2017

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(1) As at 31 Dec 2017.
### ESR-REIT Portfolio Details

#### 60 Tuas South Street 1
- **Asset type:** General Industrial
- **Valuation (S$m)**: 30.0
- **Term of lease (years):** 17.2
- **NLA (sqft):** 44,675
- **Lease type:** Master Lease

#### 120 Pioneer Road
- **Asset type:** General Industrial
- **Valuation (S$m)**: 58.0
- **Term of lease (years):** 37.2
- **NLA (sqft):** 217,543
- **Lease type:** Multi-Tenanted

#### 511/513 Yishun Industrial Park A
- **Asset type:** General Industrial
- **Valuation (S$m)**: 0.59
- **Term of lease (years):** 200,562
- **NLA (sqft):** Multi-Tenanted

#### 16 Tai Seng Street
- **Asset type:** Light Industrial
- **Valuation (S$m)**: 60.5
- **Term of lease (years):** 49.5
- **NLA (sqft):** 215,666
- **Lease type:** Master Lease

#### 11 Serangoon North Ave 5
- **Asset type:** Light Industrial
- **Valuation (S$m)**: 20.0
- **Term of lease (years):** 39.3
- **NLA (sqft):** 112,601
- **Lease type:** Multi-Tenanted

#### 8 Tuas South Lane
- **Asset type:** General Industrial
- **Valuation (S$m)**: 115.0
- **Term of lease (years):** 36.3
- **NLA (sqft):** 559,599
- **Lease type:** Master Lease

#### 30 Marsiling Industrial Estate Road 8
- **Asset type:** General Industrial
- **Valuation (S$m)**: 60.0
- **Term of lease (years):** 237,229
- **NLA (sqft):** Multi-Tenanted

#### 86/88 International Rd
- **Asset type:** General Industrial
- **Valuation (S$m)**: 38.9
- **Term of lease (years):** 21.4
- **NLA (sqft):** 139,525
- **Lease type:** Master Lease

#### 128 Joo Seng Road
- **Asset type:** Light Industrial
- **Valuation (S$m)**: 12.0
- **Term of lease (years):** 34.4
- **NLA (sqft):** 73,407
- **Lease type:** Multi-Tenanted

#### 130 Joo Seng Road
- **Asset type:** Light Industrial
- **Valuation (S$m)**: 15.6
- **Term of lease (years):** 33.9
- **NLA (sqft):** 89,626
- **Lease type:** Multi-Tenanted

#### 70 Sengkang Avenue
- **Asset type:** Light Industrial
- **Valuation (S$m)**: 7.0
- **Term of lease (years):** 32.0
- **NLA (sqft):** 139,525
- **Lease type:** Master Lease

#### 128 Joo Seng Road
- **Asset type:** Light Industrial
- **Valuation (S$m)**: 12.0
- **Term of lease (years):** 34.4
- **NLA (sqft):** 73,407
- **Lease type:** Multi-Tenanted

#### 8 Tuas South Crescent
- **Asset type:** General Industrial
- **Valuation (S$m)**: 12.1
- **Term of lease (years):** 37.7
- **NLA (sqft):** 63,530
- **Lease type:** Multi-Tenanted

#### 45 Changi South Ave 2
- **Asset type:** General Industrial
- **Valuation (S$m)**: 11.0
- **Term of lease (years):** 42.1
- **NLA (sqft):** 67,942
- **Lease type:** Master Lease

#### 79 Tuas South Street 5
- **Asset type:** General Industrial
- **Valuation (S$m)**: 9.2
- **Term of lease (years):** 23.8
- **NLA (sqft):** 53,729
- **Lease type:** Master Lease

#### 70 Seletar Aerospace View
- **Asset type:** General Industrial
- **Valuation (S$m)**: 15.6
- **Term of lease (years):** 33.9
- **NLA (sqft):** 89,626
- **Lease type:** Multi-Tenanted

Source: Company filings. Portfolio statistics as at 31 Dec 2017
## ESR-REIT Portfolio Details

<table>
<thead>
<tr>
<th>Asset type</th>
<th>Valuation (S$m)(1)</th>
<th>Term of lease (years)</th>
<th>Remaining term of lease (years)</th>
<th>NLA (sqft)</th>
<th>Lease type</th>
</tr>
</thead>
<tbody>
<tr>
<td>136 Joo Seng Road</td>
<td>Light Industrial</td>
<td>S$12.8m</td>
<td>60.0</td>
<td>78,189</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>160 Kallang Way</td>
<td>Logistics &amp; Warehouse</td>
<td>S$26.8m</td>
<td>42.0</td>
<td>737,817</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>24 Jurong Port Road</td>
<td>Logistics &amp; Warehouse</td>
<td>S$48.1m</td>
<td>60.0</td>
<td>255,560</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>4/6 Clementi Loop</td>
<td>Hi-Specs Industrial</td>
<td>S$39.9m</td>
<td>60.0</td>
<td>166,124</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>12 Ang Mo Kio Street 65</td>
<td>Hi-Specs Industrial</td>
<td>S$38.9m</td>
<td>60.0</td>
<td>166,124</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>25 Changi South Ave 2</td>
<td>Logistics &amp; Warehouse</td>
<td>S$12.5m</td>
<td>60.0</td>
<td>72,998</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>2 Jalan Kilang Barat</td>
<td>Logistics &amp; Warehouse</td>
<td>S$59.7m</td>
<td>60.0</td>
<td>292,944</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>9 Bukit Batok Street 22</td>
<td>Logistics &amp; Warehouse</td>
<td>S$23.6m</td>
<td>60.0</td>
<td>292,944</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>25 Pioneer Sector 3</td>
<td>Logistics &amp; Warehouse</td>
<td>S$65.7m</td>
<td>60.0</td>
<td>645,499</td>
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</tr>
<tr>
<td>3 1/3rd Lok Yang Rd &amp; 4 4th Lok Yang Rd</td>
<td>Logistics &amp; Warehouse</td>
<td>S$11.7m</td>
<td>30.0</td>
<td>114,111</td>
<td>Master Lease</td>
</tr>
<tr>
<td>11 Chang Charn Road</td>
<td>Logistics &amp; Warehouse</td>
<td>S$29.7m</td>
<td>60.0</td>
<td>74,064</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td>21/23 Ubi Road 1</td>
<td>Hi-Specs Industrial</td>
<td>S$35.6m</td>
<td>60.0</td>
<td>148,055</td>
<td>Multi-Tenanted</td>
</tr>
</tbody>
</table>

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Source: Company filings. Portfolio statistics as at 31 Dec 2017
### ESR-REIT Portfolio Details

<table>
<thead>
<tr>
<th><strong>Asset type</strong></th>
<th><strong>Valuation (S$m)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>54 Serangoon North Ave 4</strong></td>
<td>S$22.3m</td>
</tr>
<tr>
<td><strong>7000 Ang Mo Kio Ave 5</strong></td>
<td>S$303.0m</td>
</tr>
<tr>
<td><strong>16 International Business Park</strong></td>
<td>S$31.3m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Valuation (S$m)</strong></th>
<th><strong>Term of lease (years)</strong></th>
<th><strong>Remaining term of lease (years)</strong></th>
<th><strong>NLA (sqft)</strong></th>
<th><strong>Lease type</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>54 Serangoon North Ave 4</strong></td>
<td>60.0</td>
<td>38.5</td>
<td>116,761</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td><strong>7000 Ang Mo Kio Ave 5</strong></td>
<td>62.0</td>
<td>39.1</td>
<td>834,783</td>
<td>Multi-Tenanted</td>
</tr>
<tr>
<td><strong>16 International Business Park</strong></td>
<td>60.0</td>
<td>38.6</td>
<td>69,258</td>
<td>Master Lease</td>
</tr>
</tbody>
</table>

Source: Company filings. Portfolio statistics as at 31 Dec 2017
Important Notice

This material shall be read in conjunction with ESR-REIT’s results announcements for the financial period ended 31 December 2017.

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.

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