



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

NEWS RELEASE

For immediate release

Completion of Divestment of 31 Kian Teck Way

Singapore, 28 June 2019 – ESR Funds Management (S) Limited, the manager of ESR-REIT (the “**Manager**”), is pleased to announce that RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) has completed the divestment of 31 Kian Teck Way (the “**Property**”) today for approximately S\$5.8 million (excluding divestment costs and applicable goods and services tax) (the “**Sale Consideration**”).

The Sale Consideration of S\$5.8 million represents a premium of 1.7% above the book value of the Property of S\$5.7 million¹. The divestment of the Property, which has a remaining land lease tenure of approximately 23.3 years, is not expected to have any material impact on ESR-REIT’s net property income for the financial year ending 31 December 2019. The net proceeds from the divestment will be deployed to repay outstanding borrowings and/or fund general working capital needs.

Mr. Adrian Chui, Executive Director and Chief Executive Officer of the Manager said, “This divestment is in line with the Manager’s proactive asset management strategy to rejuvenate ESR-REIT’s portfolio by recycling capital from divesting lower-yield non-core properties. The divestment will allow us to improve the quality of ESR-REIT’s portfolio and optimise returns for Unitholders.”

Following the divestment, ESR-REIT’s diversified portfolio consists of 56 properties located across Singapore with a total gross floor area of approximately 14.0 million square feet.

About the Property

31 Kian Teck Way is located in the Western region of Singapore. The Property is a 2-storey general industrial building with a gross floor area of approximately 33,088 square feet.

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¹ Based on valuation by Edmund Tie & Company (SEA) Pte Ltd as at 31 December 2018.

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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 billion². 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.

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.³ 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 partners 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.

² 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.

³ 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.