Successful Completion of VIT Merger

ESR-REIT is now well-positioned with S$3.0bn assets across 56 properties

- Total asset size of approximately S$3.0bn
- Portfolio occupancy of >90%
- Land lease expiry c.33.5 years
- Total GFA of approximately 13.6m sq ft
- Increase in net property income from c.350 tenants from different trade sectors
- c.350 tenants from different trade sectors

Source: JTC, Company Filings.
Notes:
(1) Based on 2Q2018 data from JTC.
Successful Completion of VIT Merger
Significant Proportion of Portfolio in Business Parks/ High Specs Sectors

Business Parks/High-Specs are favourable sectors with **limited supply** and potential to achieve higher rentals

Higher rental sectors, in line with Government’s Industry 4.0 initiative (46% of portfolio)

Forecast Business Park average supply is **half of 10 year average demand and supply**

**Average Industrial Rents (S$ / sq ft / month)**

- **Business Park**: 4.06
- **High-Specs**: 3.15
- **Factory (Ground Floor)**: 1.57
- **Factory (Upper Floor)**: 1.58
- **Warehouse (Ground Floor)**: 1.20
- **Warehouse (Upper Floor)**: 1.23

**Historical and Future Pipeline (Net Floor Area m sqft)**

- **10y Average Supply**: c.1.3m
- **10y Average Demand**: c.1.1m
- **Potential Average Supply**: c.0.6m

**Focus to complete merger integration by end 2018**

**Note:**
(1) Based on 2Q2018 data from CBRE and JTC.
(2) Based on 2Q2018 data from Knight Franck Consultancy.
ESR-REIT Business Parks Poised to Ride on Potential Upside

- Rents for Rest of Island submarket grew 1.3% q-o-q in 2Q2018\(^{(1)}\)
  - ESR-REIT Business Park rents are poised to ride on potential demand and rental upside

### Asking Rents Across Key Business Parks in Singapore (S$ / sq ft / month)\(^{(2)}\)

<table>
<thead>
<tr>
<th>Business Park</th>
<th>Asking Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleantech Park</td>
<td>S$2.77 – S$3.81</td>
</tr>
<tr>
<td>International Business Park</td>
<td>S$3.50 – S$4.40</td>
</tr>
<tr>
<td>One North</td>
<td>S$5.00 – S$6.50</td>
</tr>
<tr>
<td>Science Park</td>
<td>S$3.90 – S$6.80</td>
</tr>
<tr>
<td>2,4,6,8 Changi Business Park</td>
<td>S$3.00 – S$5.50</td>
</tr>
<tr>
<td>750 – 750E Chai Chee Road</td>
<td>S$3.00 – S$3.70</td>
</tr>
</tbody>
</table>

Note:
(1) Based on 2Q2018 data from CBRE.
(2) Based on CBRE Singapore Industrial & Logistics Asking Rental Guide, September 2018.
Attractive Distribution Yield with Potential Upside

Attractive Distribution Yield…

Note:
(1) Based on closing price of S$0.51 on 30 Sep 2018 and annualised YTD DPU of 3.80 cents. Annualised DPU is calculated based on actual YTD DPU payout for 3Q2018 and annualised to the full year.
Targeted Strategy To Deliver Returns

3 areas targeted to deliver returns to Unitholders; adding on to already resilient ESR-REIT portfolio

**UNITHOLDERS ENJOY SUSTAINABLE RETURNS**

<table>
<thead>
<tr>
<th>Value-Enhancing Asset Acquisitions</th>
<th>✓ Yield-accrative acquisitions given more competitive cost of funding</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Flexibility to Optimize Assets Through AEIs</th>
<th>✓ Almost all non-core assets divested</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓ Up to 7 properties identified for AEI over next 3 years</td>
</tr>
<tr>
<td></td>
<td>✓ c.1m sq ft of unutilised plot ratio identified</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational Synergies and Economies of Scale via Integration of Enlarged Portfolio</th>
<th>✓ Wider product suite for tenants and leasing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓ Reduced property expenses</td>
</tr>
<tr>
<td></td>
<td>✓ Reduced cost of funding</td>
</tr>
</tbody>
</table>

Stable and Resilient ESR-REIT Portfolio Provides Stable Fundamentals to REIT
1. Operational Synergies and Economies of Scale via Portfolio Integration

A. Clustering of Property Management Services

- Clustering of assets by region for better on-site management
- Move towards self-management of properties
- Third-party Integrated Facility Management contracts at selected properties will not be renewed

B. Bulk Tender Contracts for Property Services

- Larger portfolio creates economies of scale
- Stronger bargaining power with service providers
- Bulk tender contracts for property services to reduce operational maintenance cost

Examples of Bulk Contracts

- Cleaning
- Security
- Landscaping

- Cost savings from direct self-management model
- On-site clusters encourage faster response time and better service quality to tenants
Flexibility to Optimize Assets Through AEIs

Up to 7 ESR-REIT assets have been identified for AEIs over the next 3 years
– Includes c.1 million\(^{(1)}\) sq ft of unutilized plot ratio (c.20% of portfolio GFA)\(^{(2)}\)

**Maximise Plot Ratio**

**General Industrial**

**High-Specs**

A) Unlocking Value in Unutilized Plot Ratio

- **7000 Ang Mo Kio Avenue 5**
  - c.495,000 sq ft untapped GFA

- **3 Tuas South Avenue 4**
  - c.500,000 sq ft untapped GFA

B) Rejuvenation of Assets

- Upgrading and improvement of building specifications
- Change of building use to align with current market trends
- Redevelopment and amalgamation of adjacent sites to enjoy economies of scale

**30 Marsiling Industrial Estate Road 8**

- AEI works currently c.40% complete
- Upgrading of the asset to a High-Specs industrial building
- Estimated completion 1Q2019

Unlocking of further value from ESR-REIT’s existing assets to deliver returns

Note:

(1) With reference to untapped GFA at 7000 Ang Mo Kio Avenue 5 and 3 Tuas South Avenue 4 properties.
(2) Based on portfolio GFA as at 30 Sep 2018.
3Q2018
Financial Performance
3Q2018 at a Glance

**Proactive Asset Management**
- Completed 15 Greenwich acquisition
- Healthy WALE of 4.4 years
- Occupancy of 92.9%
- Approx 1.4m sq ft of space renewed and leased in YTD3Q2018

**Prudent Capital Management**
- Portfolio remains 100% unencumbered
- 91.2% of interest rates fixed

**Financial Performance**
- Payment of MFU in line with market practice

---

**DPU (Cents)**
- 1.004

**Gross Revenue**
- S$32.4m

**Net Property Income**
- S$22.5m

**Total Assets**
- S$1.68bn\(^{(1)}\)

**NAV Per Unit (Cents)**
- 58.0

---

Note:
- \(^{(1)}\) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.
## 3Q2018 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>3Q2018 (S$ million)</th>
<th>3Q2017 (S$ million)</th>
<th>+/- (%) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>32.4</td>
<td>27.1</td>
<td>19.4</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>22.5</td>
<td>19.6</td>
<td>15.0</td>
</tr>
<tr>
<td><strong>Amount Available for Distribution to Unitholders</strong></td>
<td>13.4</td>
<td>12.6</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Distribution from Other Gains</strong></td>
<td>2.5</td>
<td>-</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>Total Amount Available for Distribution to Unitholders</strong></td>
<td>15.9</td>
<td>12.6</td>
<td>26.0</td>
</tr>
<tr>
<td><strong>Distribution Per Unit (“DPU”) (cents) for 3Q2018</strong></td>
<td>1.004</td>
<td>0.964</td>
<td>4.1</td>
</tr>
</tbody>
</table>

**Note:**
1. Includes straight line rent adjustment of S$0.4 million (3Q2017: S$0.2 million).
2. Higher Net Property Income (“NPI”) mainly due to full quarter contributions from two acquisitions (8 Tuas South Lane and 7000 Ang Mo Kio Ave 5) in Dec 2017, partially offset by non renewal of leases at 12 Ang Mo Kio St 65, 31 Tuas Ave 11, 54 Serangoon North Ave 5, 4/6 Clementi Loop, 1&2 Changi North St 2 and 3C Toh Guan Road East, lease conversion of 16 Tai Seng Street (2Q2018) and 21B Senoko Loop (1Q2018), 4 property divestments (87 Defu Lane 10, 23 Woodlands Terrace, 55 Ubi Ave 1 and 9 Bukit Batok St 22) since 3Q2017 and 30 Marsiling Industrial Est Road 8 AEI.
3. Includes Non-Controlling Interest (“NCI”) of 20% of 7000 Ang Mo Kio Ave 5 in 3Q2018.
4. 35% of management fees are payable in units for 3Q2018.
5. $2.5m payout from ex-gratia payments received from SLA in connection to the compulsory acquisition of land from prior years.
## YTD3Q2018 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>YTD3Q2018 (S$ million)</th>
<th>YTD3Q2017 (S$ million)</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue</strong>&lt;sup&gt;(1)(3)&lt;/sup&gt;</td>
<td>98.5</td>
<td>82.5</td>
<td>19.4</td>
</tr>
<tr>
<td><strong>Net Property Income</strong>&lt;sup&gt;(2)(3)&lt;/sup&gt;</td>
<td>69.8</td>
<td>58.5</td>
<td>19.2</td>
</tr>
<tr>
<td><strong>Amount Available for Distribution to Unitholders</strong>&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>40.9</td>
<td>38.2</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Distribution from Other Gains</strong>&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>4.3</td>
<td>-</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>Total Amount Available for Distribution to Unitholders</strong></td>
<td>45.2</td>
<td>38.2</td>
<td>18.3</td>
</tr>
<tr>
<td><strong>Distribution Per Unit (“DPU”) (cents) for YTD3Q2018</strong></td>
<td>2.852&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>2.924</td>
<td>(2.5)</td>
</tr>
</tbody>
</table>

**Note:**

1. Includes straight line rent adjustment of S$1.1 million (YTD3Q2018: S$0.6 million).
2. Higher NPI mainly due to contributions from two acquisitions (8 Tuas South Lane and 7000 Ang Mo Kio Ave 5) acquired in mid December 2017, partially offset by non renewal of leases at 12 Ang Mo Kio St 65, 31 Kian Teck Way, 31 Tuas Ave 11, 54 Serangoon North Ave 5, 3C Toh Guan Road East, 1&2 Changi North St 2, lease conversion of 16 Tai Seng St (2Q2018), 21B Senoko Loop (1Q2018) and 3 Pioneer Sector 3 (3Q2017), 4 property divestments (87 Defu Lane 10, 23 Woodlands Terrace,55 Ubi Ave 1 and 9 Bukit Batok St 22) since YTD3Q2017 and 30 Marsiling Industrial Est Road 8 AEI.
3. Includes Non-Controlling Interest (“NCI”) of 20% of 7000 Ang Mo Kio Ave 5 in YTD3Q2018.
4. Higher distributable income due to better NPI performance of the portfolio as per (2). 35% of management fees are payable in units for 3Q2018.
5. $4.3m payout from ex-gratia payments received from SLA in connection to the compulsory acquisition of land from prior years.
6. Lower headline DPU due to the EFR units issued (262.8 million units) in March 2018 and DRP (12.6 million units) since YTD3Q2017.
# Key Capital Management Indicators

- **Portfolio remains 100% unencumbered**
- **91.2% of interest rates are fixed over next 2.2 years**

<table>
<thead>
<tr>
<th></th>
<th>As at 30 Sep 2018</th>
<th>As at 30 Jun 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Debt (S$ million)</td>
<td>510.0</td>
<td>513.0</td>
</tr>
<tr>
<td>Debt to Total Assets (%)</td>
<td>30.3</td>
<td>30.5</td>
</tr>
<tr>
<td>Weighted Average All-in Cost of Debt (%) p.a.</td>
<td>3.76</td>
<td>3.75</td>
</tr>
<tr>
<td>Weighted Average Debt Expiry (years)</td>
<td>2.2(^{(1)})</td>
<td>2.4(^{(1)})</td>
</tr>
<tr>
<td>Interest Coverage Ratio (times)</td>
<td>4.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Interest Rate Exposure Fixed (%)</td>
<td>91.2(^{(2)})</td>
<td>90.6(^{(2)})</td>
</tr>
<tr>
<td>Proportion of Unencumbered Investment Properties (%)</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Undrawn Available Committed Facilities (S$ million)</td>
<td>205.0</td>
<td>202.0</td>
</tr>
</tbody>
</table>

**Note:**

(1) Assumes the loan facility expiring in 2019 is extended based on the loan facility pending for utilisation to refinance the outstanding loan.

(2) Excludes forward start interest rate swaps entered into which only commence in December 2018.
Looking Ahead: Capital Management

- S$155m bond expiry in November 2018
  - Undrawn available committed RCF of S$205.0m provides financial flexibility
- Loan facility obtained to refinance outstanding loan expiring in 2019

**Debt Maturity Profile (as at 30 Sep 2018)**

<table>
<thead>
<tr>
<th>Year</th>
<th>MTNs</th>
<th>Unsecured RCF Loans</th>
<th>Unsecured Bank Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>155</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>160</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% of Debt Expiring

<table>
<thead>
<tr>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.4%</td>
</tr>
<tr>
<td>22.5%</td>
</tr>
<tr>
<td>31.4%</td>
</tr>
<tr>
<td>5.9%</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>9.8%</td>
</tr>
</tbody>
</table>

Note:
(1) Assuming the S$155.0m bond is refinanced by the existing undrawn RCF. Weighted Average Debt Expiry is estimated to increase to 3.0 years.
(2) Assumes the maturing loan facility is extended based on the loan facility pending for utilisation to refinance the outstanding loan.
### Balance Sheet Summary

<table>
<thead>
<tr>
<th></th>
<th>As at 30 Sep 2018 (S$ million)</th>
<th>As at 30 Jun 2018 (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Properties (1)</td>
<td>1,655.4</td>
<td>1,653.8</td>
</tr>
<tr>
<td>Other Assets</td>
<td>25.9</td>
<td>28.0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>1,681.3</strong></td>
<td><strong>1,681.8</strong></td>
</tr>
<tr>
<td>Total Borrowings (net of loan transaction costs)</td>
<td>508.5</td>
<td>511.2</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>40.8</td>
<td>36.5</td>
</tr>
<tr>
<td>Non-Controlling Interest</td>
<td>60.6</td>
<td>60.6</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>609.9</strong></td>
<td><strong>608.3</strong></td>
</tr>
<tr>
<td><strong>Net Assets Attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Perpetual Securities Holders</td>
<td>152.8</td>
<td>151.1</td>
</tr>
<tr>
<td>- Unitholders</td>
<td>918.6</td>
<td>922.4</td>
</tr>
<tr>
<td><strong>No. of Units Issued/Issuable (million)</strong></td>
<td><strong>1,583.7</strong></td>
<td><strong>1,583.7</strong></td>
</tr>
<tr>
<td><strong>NAV Per Unit (cents)</strong></td>
<td><strong>58.0</strong></td>
<td><strong>58.2</strong></td>
</tr>
</tbody>
</table>

**Note:**
(1) Indicates valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.
## Distribution Details

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution Period</strong></td>
<td>1 July 2018 – 15 October 2018</td>
</tr>
<tr>
<td><strong>Distribution Rate</strong></td>
<td>1.168 cents per unit comprising:</td>
</tr>
<tr>
<td></td>
<td>3Q2018 distribution – 1.004 cents (1/7/2018 – 30/9/2018)</td>
</tr>
<tr>
<td></td>
<td>(i) taxable income – 0.846 cents per unit</td>
</tr>
<tr>
<td></td>
<td>(ii) other gains – 0.158 cents per unit</td>
</tr>
<tr>
<td></td>
<td>Advanced distribution – 0.164 cents (1/10/2018 – 15/10/2018)</td>
</tr>
<tr>
<td></td>
<td>(i) taxable income – 0.147 cents per unit</td>
</tr>
<tr>
<td></td>
<td>(ii) Other gains – 0.017 cents per unit</td>
</tr>
</tbody>
</table>

### Distribution Timetable

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Trading Day on a “Cum Distribution” Basis</td>
<td>3 October 2018</td>
</tr>
<tr>
<td>Distribution Ex-Date</td>
<td>4 October 2018</td>
</tr>
<tr>
<td>Books Closure Date</td>
<td>8 October 2018</td>
</tr>
<tr>
<td>Distribution Payment Date</td>
<td>26 November 2018</td>
</tr>
</tbody>
</table>
Real Estate Highlights

120 Pioneer Road
Diversified Portfolio with Healthy Occupancy

Portfolio Highlights

- Completed acquisition of 15 Greenwich Drive
- Occupancy increased to 92.9%
- WALE of 4.4 years
- Only 3.6% of leases expiring for the remainder of FY2018
- Renewed and secured approximately 1.4m sq ft of space in YTD3Q2018
- Well-balanced proportion of STB vs MTB to capture potential rental upside

Asset Class by Rental Income

(AS at 30 Sep 2018)

- General Industrial: 26.9%
- High-Specs Industrial: 34.3%
- Light Industrial: 21.3%
- Logistics/Warehouse: 15.9%
- Business Park: 1.6%

Portfolio Occupancy(1) Increased to 92.9%, Above JTC Average (as at 30 Sep 2018)

- 2Q18: 91.4%
- 3Q18: 92.9%
- JTC Average (2Q2018): 88.7%

Single-Tenanted vs Multi-Tenanted by Rental Income

(AS at 30 Sep 2018)

- Multi-Tenanted: 62.1%
- Single-Tenanted: 37.9%

Note:
(1) Excludes properties that are held for divestment.
Pro-active Lease Management

- Renewed and leased approximately 359,514 sq ft of space in 3Q2018, bringing the total to approximately 1.4 million sq ft for YTD3Q2018
  - Resulting in reduction of lease expiries for FY2018 from 7.3% to 3.6%
- Secured 2 new master leases at 21B Senoko Loop and 31 Tuas Avenue 11
  - However, STBs make up only 15% of expiries in the next 3.5 years; anchoring ESR-REIT’s rental stability
- Tenant retention rate of 47.2%(1)
- Rental reversion of -4.1% for YTD3Q2018

WALE by Rental Income (as at 30 Sep 2018)

Note:
(1) Mainly due to the non-renewal of Beyonics International Pte. Ltd. at 30 Marsiling Industrial Estate Road 8.
Two New Master Leases Secured in 3Q2018

- Secured 2 new master leases; active leasing strategy to attract tenants from value-added sectors
- Keito Engineering & Construction (21B Senoko Loop)
  - Provider of Integrated manpower, logistics, and accommodation needs for the building and construction industry
- Virogreen (31 Tuas Avenue 11)
  - Specialises in certified E-Waste recycling, computer recycling, data destruction services

<table>
<thead>
<tr>
<th>21B Senoko Loop</th>
<th>31 Tuas Avenue 11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Floor Area</strong></td>
<td>195,823 square feet</td>
</tr>
<tr>
<td><strong>Asset Class</strong></td>
<td>General Industrial</td>
</tr>
<tr>
<td><strong>Tenant</strong></td>
<td>Keito Engineering &amp; Construction Pte. Ltd.</td>
</tr>
<tr>
<td><strong>Lease Term</strong></td>
<td>3 years (commencing Oct 2018)</td>
</tr>
<tr>
<td><strong>Valuation&lt;sup&gt;(2)&lt;/sup&gt;</strong></td>
<td>S$26.5 million</td>
</tr>
</tbody>
</table>

Note:
(1) Property has been reclassified from Logistics & Warehouse to General Industrial
(2) As at 31 March 2018.
Value-Enhancing Acquisition: 15 Greenwich Drive

- **Completion Date**: 25 October 2018
- **Description**: 4-storey multi-tenanted ramp-up logistics facility with ancillary offices, located within Tampines LogisPark
- **Land Area**: 271,894 sq ft
- **Gross Floor Area**: 455,396 sq ft
- **Land Tenure**: 30 years expiring in 2041 (c.23 years remaining)
- **Estimated Purchase Price**: S$95.8 million
- **Independent Valuation**: S$96.4 million
- **Occupancy**: 100.0%
- **Method of Financing**: Fully funded by debt

Note: (1) Based on pro forma financial effects of acquisition on annualised DPU for 3-month period ended 31 March, as if the acquisition had been completed on 1 Jan 2018, which was included in the announcement dated 24 April 2018. (2) Includes the purchase consideration of S$86.2 million and estimated upfront land premium payable for the balance lease term of S$9.6 million. (3) Independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 9 April 2018. (4) As at 30 September 2018.

- **Ease of access to Changi Airport and Seletar Aerospace Park**
- **Strategically located next to Paya Lebar Airbase**
- **Located within established dedicated logistics park in Singapore with tight supply and limited available space**
- **Increases portfolio occupancy from 92.9% to 93.3%**
- **Logistics/Warehouse proportion will increase from 21.3% to 25.7%**
- **Income diversification from addition of leading logistics tenants**
AEI: 30 Marsiling Industrial Estate Road 8

✓ AEI works are currently c.40% complete
  – on track for completion in 1Q2019

✓ AEI facilitates conversion of asset from a General Industrial to a High-Specs Industrial property

✓ Addition of two good quality tenants(1) from high-value added manufacturing sectors

✓ Asset and Portfolio Stability
  – Secured long leases with two major tenants
  – Following project completion, property will be 100% occupied for the next five years

Note:
(1) Aptiv is a global technology company that develops safer, greener and more connected solutions, which enable the future of mobility. FormFactor, Inc. is a Nasdaq-listed company and is a leading provider of essential test and measurement technologies along the full Integrated Circuit life cycle - from characterization, modelling, reliability, and design de-bug, to qualification and production test.

<table>
<thead>
<tr>
<th>Address</th>
<th>30 Marsiling Industrial Estate Road 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Upgrading of the asset to a High-Specs Industrial building</td>
</tr>
<tr>
<td>Gross Floor Area</td>
<td>217,953 square feet</td>
</tr>
<tr>
<td>Remaining Land Tenure</td>
<td>31.4 years</td>
</tr>
<tr>
<td>Valuation</td>
<td>S$36.6 million</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>c.S$12.0 m</td>
</tr>
<tr>
<td>Estimated Project Completion</td>
<td>1Q2019</td>
</tr>
</tbody>
</table>
Industrial Market Outlook

- **Industrial market is showing signs of stabilisation**
  - Monthly rents in all market segments remaining flat q-o-q

- **The moderating level of supply in 2018 will enable the market to absorb the significant amount of space from the past 6 years, said CBRE**
  - Leasing market is expected to remain competitive

- **Supported by the Government, more advanced manufacturing industries may contribute towards demand for space**
  - Greater incentive from Government for firms to innovate as part of national Industry 4.0 plans to improve industrial market value chain
  - Change in business models of industrials may shift demand towards high-tech developments and business parks

---

**Average Industrial Rents (S$ / sq ft / month)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Business Park</th>
<th>High-Specs</th>
<th>Factory (Ground Floor)</th>
<th>Warehouse (Ground Floor)</th>
<th>Factory (Upper Floor)</th>
<th>Warehouse (Upper Floor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q13</td>
<td>3.15</td>
<td>1.57</td>
<td>1.23</td>
<td>1.58</td>
<td>1.20</td>
<td>1.23</td>
</tr>
<tr>
<td>1Q14</td>
<td>3.15</td>
<td>1.57</td>
<td>1.20</td>
<td>1.58</td>
<td>1.20</td>
<td>1.23</td>
</tr>
<tr>
<td>1Q15</td>
<td>3.15</td>
<td>1.58</td>
<td>1.20</td>
<td>1.58</td>
<td>1.20</td>
<td>1.23</td>
</tr>
<tr>
<td>1Q16</td>
<td>3.15</td>
<td>1.58</td>
<td>1.20</td>
<td>1.58</td>
<td>1.20</td>
<td>1.23</td>
</tr>
<tr>
<td>1Q17</td>
<td>3.15</td>
<td>1.58</td>
<td>1.20</td>
<td>1.58</td>
<td>1.20</td>
<td>1.23</td>
</tr>
<tr>
<td>1Q18</td>
<td>3.15</td>
<td>1.58</td>
<td>1.20</td>
<td>1.58</td>
<td>1.20</td>
<td>1.23</td>
</tr>
</tbody>
</table>

**Historical and Future Pipeline (Net Floor Area m sqft)**

- **All Industrial Property**
  - 10 year Average Supply: 15.0m
  - 10 year Average Demand: 12.3m
  - Forecast

---

**Note:**
- Source: ETC, CBRE and JTC
- (1) Based on 2Q2018 data from CBRE.
- (2) Based on 2Q2018 data from Knight Frank Consultancy.
Our Long-Term Strategy

Our three-pronged strategy focuses on optimising Unitholder returns while reducing risks

**Organic Growth**
- AEIs to unlock value and attract high-valued tenants
- Pro-active asset management to optimise investor returns
- Divest non-core assets and redeploy to higher value-adding properties
- Enhance tenant base by leveraging Sponsor networks

**Acquisition and Development Growth**
- Yield-accrative, scalable, value-enhancing acquisition opportunities in Singapore
- Potential pipeline of assets from ESR
- Exploring opportunities to participate in development projects, either individually or in JV with ESR

**Capital Management**
- Debt to Total Assets between 30- 40%
- 100% unencumbered
- Well-staggered debt maturity profile
- Diversify funding sources into alternative pools of capital
- Broaden and strengthen banking relationships
## Key Portfolio Statistics

<table>
<thead>
<tr>
<th></th>
<th>As at 30 Sep 2018</th>
<th>As at 30 Jun 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Properties</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Valuation (S$ million)</td>
<td>1,652.2</td>
<td>1,652.2</td>
</tr>
<tr>
<td>GFA (million sq ft)</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>NLA (million sq ft)</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td>Weighted Average Lease Expiry (“WALE”) (years)</td>
<td>4.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Weighted Average Land Lease Expiry (years)</td>
<td>32.7</td>
<td>33.0</td>
</tr>
<tr>
<td>Occupancy (%)</td>
<td>92.9</td>
<td>91.4</td>
</tr>
<tr>
<td>Number of Tenants</td>
<td>184</td>
<td>197</td>
</tr>
<tr>
<td>Security Deposit (months)</td>
<td>6.6</td>
<td>6.8</td>
</tr>
</tbody>
</table>

**Note:**
(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.
No individual trade sector accounts for more than 14.2% of ESR-REIT’s Rental Income

Breakdown by Trade Sectors (by Rental Income) (as at 30 Sep 2018)

- **Transportation and Storage**: 21.9%
- **Manufacturing**: 36.7%
- **Wholesale, Retail Trade Services and Others**: 17.5%
- **Professional, Scientific and Technical Activities**: 8.2%
- **Infocomm**: 4.4%
- **Precision Engineering**: 2.8%
- **Logistics**: 7.9%
- **General storage**: 9.9%
- **Specialised storage**: 4.1%
- **Fabricated Metal Products**: 6.3%
- **Computer, Electronic and Optical Products (Manufacturing)**: 14.2%
- **Machinery and Equipment**: 2.7%
- **Paper and Paper Products**: 3.3%
- **Rubber and Plastic Products**: 1.1%
- **Water & Energy**: 7.0%
- **Pharmaceutical**: 2.1%
- **Data Centre**: 4.4%
- **Other Services**: 3.6%
- **M&E Services and Gas Supply**: 1.3%
- **Professional Computer, Electronic and Optical Products**: 3.1%
- **Architectural and Engineering Activities and Related Technical Consultancy**: 3.3%
- **Food Related Services**: 1.1%
- **Education**: 1.4%
- **Car Distribution**: 3.1%
- **Wholesale of Industrial, Construction and IT Related Machinery and Equipment**: 2.1%
- **Wholesale of Household Goods, Textiles, Furniture & Furnishing and Others**: 9.8%
- **Others**: 0.5%
ESR-REIT Portfolio

56(1) assets located close to major transportation hubs and key industrial zones across Singapore

Note:
(1) As at 15 October 2018.
# Quality and Diversified Tenant Base

## Top 10 Tenants Account for 41.7% of Rental Income

### Top 10 Tenants (by Rental Income)
(as at 30 Sep 2018)

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Rental Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMS Sensors Singapore Pte. Ltd. (1)</td>
<td>8.9%</td>
</tr>
<tr>
<td>Hyflux Membrane Manufacturing (S) Ltd.</td>
<td>6.9%</td>
</tr>
<tr>
<td>Venture Corporation Limited</td>
<td>6.6%</td>
</tr>
<tr>
<td>Data Centre Operator (2)</td>
<td>4.1%</td>
</tr>
<tr>
<td>HG Metal Manufacturing Limited</td>
<td>3.2%</td>
</tr>
<tr>
<td>Eurosports Auto Pte Ltd.</td>
<td>3.1%</td>
</tr>
<tr>
<td>Aptiv Safety &amp; Mobility Services Singapore Pte. Ltd.</td>
<td>2.6%</td>
</tr>
<tr>
<td>Strides Pharma Global Pte. Limited</td>
<td>2.1%</td>
</tr>
<tr>
<td>StorHub Kallang Pte. Ltd.</td>
<td>2.1%</td>
</tr>
<tr>
<td>Soon Wing Investments Pte Ltd</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Note:
1. Formerly known as Heptagon Micro Optics Pte Ltd.
2. Tenant cannot be named due to confidentiality obligations.
ESR: Strong Developer-Sponsor

- 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 in ESR
- In May 2018, JD.com invested USD 306 million in ESR
- In June 2018, ESR closed an investment from CLSA’s CSOBOR Fund

ESR Group’s Regional Presence

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

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

India
- A top industrial real estate developer with best-in-class management team with initial focus on Tier-1 cities

Singapore
- Invested in ESR-REIT, an early industrial S-REIT player with >13.6m sq ft of GFA across key industrial zones
- c.9% stake in ESR-REIT; c.67% stake in ESR-REIT Manager and 100% stake in its Property Manager

Japan
- A top 5 institutional operator with an established and experienced team, as well as one of the highest new development starts over the past 24 months
- ESR-REIT has “first look” on the pipeline of assets in an increasingly asset scarce environment for quality logistics assets

Australia
- The largest shareholder of PropertyLink and Centuria Capital which collectively have over A$6b of AUM
- Acquired CIP, the leading industrial developer, and secured Philip Pearce as CEO of Australia

GFA of >10m(1) sqm in operation and under development
AUM of approx US$13bn(1)

Note: Information above as of 30 June 2018.
(1) Excluding Australia.
ESR’s Key Client Network

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:

**Collaborations with 3PLs / Logistics Operators**
- Strategic alliance with major 3PLs and reputable logistics service providers
- Examples of key clientele:

**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:

**Diversified Customer Source**
**Broad Offering to Clients**
**Economies of Scale**

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Note: (1) Former clients of Redwood founders.
ESR-REIT’s Competitive Strengths

- Leading Pan-Asian logistics real estate platform with approx. US$13.0 billion AUM
- ESR has c.67% stake in the REIT Manager, 100% stake in Property Manager and a c.9% stake in the REIT
  - Demonstrates long-term commitment and alignment of interest
- Co-founded by Warburg Pincus and backed by blue-chip institutional ownership and investors
- Provides ESR-REIT with development expertise and extensive network to strong regional tenant base
- Close to 70 years of collective experience in local and regional real estate companies and financial institutions
  - In-depth knowledge, proven track record and capabilities in Real Estate market, with focus in industrial property sector
  - Members have played key roles in the shaping and management of successful REITs in Singapore
- Proactively conducting AEI Initiatives to optimize asset returns
  - Established track record of acquiring strategic assets and managing build-to-suit ("BTS") development projects
  - In-house expertise to specifically address the requirements of clients and their projects
  - Experienced and flexible team to pro-actively manage projects
  - Sponsor ESR has proven track record of developing BTS warehousing and distribution facilities for leading global e-commerce companies

Note:
(1) As at 15 October 2018. (2) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest. (3) Includes committed lease with Delphi Automotive System Singapore Pte Ltd at 30 Marsiling Industrial Estate Road 8. (4) Mainly from the non-renewal of Beyonics International Pte. Ltd. at 30 Marsiling Industrial Estate Road 8.

- 56(1) properties valued at S$2.94 billion(2)
- Strategically located in key industrial zones across Singapore
- Proactive asset and lease management focus
- Well balanced portfolio with Single-Tenanted Building conversions to Multi-Tenanted Buildings
- Diversified Portfolio: No individual trade sector accounts for >14.2% of rental income
- Healthy occupancy rate of 92.9%(3)
- Healthy Portfolio WALRE of 4.4 years
- Leases backed by 6.6 months security deposits
- Built-in rental escalations provide organic growth
- Extensive network of 184 tenants
- Diversified across industries including: Logistics, Wholesale Trade, General Storage, Fabrication and Electronics
- Top 10 tenants account for 41.7% of rental income
- Long lease terms of 3-15 years provide stability for Unitholders, with in-built escalation
- 47.2% tenant retention rate(4)
- Stable and secure income stream supported by prudent capital and risk management
  - Staggered debt maturity profile: gearing of 33.3%
  - 91.2% of interest rates fixed
  - 100% of assets unencumbered
- Diversified sources of funding, with alternative pools of capital
Important Notice

This material shall be read in conjunction with ESR-REIT’s results announcements for the financial period ended 30 September 2018.

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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