



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

NEWS RELEASE

For immediate release

ESR-REIT Manager Announces Outcome of Unitholder Meetings in Relation to the Proposed Merger with Sabana REIT

Singapore, 4 December 2020 – ESR Funds Management (S) Limited, the manager of ESR-REIT (the “**Manager**”) today announced that all resolutions in relation to the proposed merger of ESR-REIT and Sabana Shari’ah Compliant Industrial Real Estate Investment Trust (“**Sabana REIT**”) (the “**Merger**”) were duly passed by ESR-REIT’s unitholders at its extraordinary general meeting (“**EGM**”) this morning. However, the Sabana REIT manager has today announced that the resolution to amend Sabana REIT’s trust deed to include provisions that will facilitate the implementation of the Merger was not approved at Sabana REIT’s EGM this afternoon and the scheme meeting to vote on the Merger was therefore not convened. As the Merger is conditional upon, amongst other things, the amendments of Sabana REIT’s trust deed, both REITs will not be proceeding with the transaction.

Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager, commented: “We would like to thank ESR-REIT unitholders for their strong support of the Merger. Size does matter for REITs and the Merger would have enabled the enlarged REIT to achieve greater scale, positioning us to reap the benefits that come from being larger, such as having access to wider pools of capital, lower cost of funds, greater operational flexibility, and enhanced diversification. We believe that the terms of the Merger are fair and that the deal would have been mutually beneficial for the unitholders of both REITs. The strong support from ESR-REIT unitholders demonstrates that they too recognise the importance of size and the long-term benefits that greater scale would bring. Nonetheless, the outcome of the proposed transaction was always in the hands of both REITs’ unitholders and we respect the result of the votes.”

“Moving forward, we will continue to look for ways to grow ESR-REIT so as to create long-term value for unitholders,” he added. “ESR-REIT’s investment thesis remains intact and the REIT has good prospects. We will continue to execute our proven growth strategies to realise the REIT’s potential.”

Elaborating, Mr. Chui said, “We will focus on organic initiatives such as undertaking asset enhancement and redevelopment projects in order to ensure that our assets remain future-ready, especially in view of Industry 4.0 and industrialists’ higher expectations of how space should be used. We will also explore and pursue suitable acquisition targets, including overseas ones, in a scalable and disciplined manner to enhance growth and diversify portfolio risks, leveraging the support of the REIT’s strong developer-sponsor, the ESR Group. With the sponsor’s established presence, platform, as well as network in six countries across Asia Pacific, and its US\$26 billion pipeline of assets in the region, we are well-positioned to capitalise on opportunities as they arise.”

– END –

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Responsibility Statement

The directors of the ESR-REIT manager (including those who may have delegated detailed supervision of this news release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this news release (other than those relating to Sabana REIT and/or the Sabana REIT manager) are fair and accurate and that there are no other material facts not contained in this news release, the omission of which would make any statement in this news release misleading. The directors of the ESR-REIT manager jointly and severally accept responsibility accordingly.

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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 30 June 2020 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\$3.1 billion¹. 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;
- Proactive 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.

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

About the Sponsor, ESR

ESR is the largest APAC 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, CPP Investments, OMERS, PGGM and Ping An. The ESR platform spans across the People’s Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 June 2020, 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\$26.5 billion, and GFA of properties completed and under development, as well as GFA to be built on land held for future development comprised 18.7 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.

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 news release 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.

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