

ESR-REIT

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

MINUTES OF ANNUAL GENERAL MEETING

PLACE	: Suntec Singapore International Convention and Exhibition Centre, Room 406, 1 Raffles Boulevard, Suntec City, Singapore 039593 and by way of electronic means
DATE	: Thursday, 22 April 2021
TIME	: 10.00 a.m.
PRESENT	: Please see Attendance List attached hereto
IN ATTENDANCE	: Please see Attendance List attached hereto
CHAIRPERSON	: Ms. Stefanie Yuen Thio

INTRODUCTION

Mr. Ooi Eng Peng, Chairman of ESR Funds Management (S) Limited, welcomed all the unitholders of ESR-REIT (“**Unitholders**”) for attending the 12th annual general meeting (the “**Meeting**” or “**AGM**”). He sent his apologies for not being able to be physically in Singapore to chair the Meeting. Due to COVID-19 restrictions, some of the Directors including himself were unable to travel to Singapore. He had requested for Independent Director, Ms Stefanie Yuen Thio, to be the Chairperson of the AGM.

As such, in accordance with the Trust Deed, RBC Investor Services Trust Singapore Limited, as Trustee of ESR-REIT (the “**Trustee**”) had nominated Ms Stefanie Yuen Thio to preside as Chairman of the Meeting (the “**Chairperson**”).

The Chairperson introduced herself, Chief Executive Officer & Executive Director, and other Directors, the Management team, the Company Secretary, Ernst & Young LLP, the auditors of ESR-REIT, PricewaterhouseCoopers Risk Services Pte. Ltd., the internal auditors of ESR-REIT, WongPartnership LLP, the lawyers, RBC Investor Services Trust Singapore Limited, the Trustee of ESR-REIT and Perpetual (Asia) Limited, the trustee of Viva Trust, a sub-trust of ESR-REIT, and other professionals who were present in the Meeting via Webcast.

QUORUM

As a quorum was present, the Chairperson declared the Meeting open at 10.00 a.m.

NOTICE

The notice convening the Meeting was taken as read.

PRESENTATION BY THE CHIEF EXECUTIVE OFFICER (“CEO”) & EXECUTIVE DIRECTOR

The Chairperson invited Mr. Adrian Chui, the CEO and Executive Director, to make a presentation on the key developments and performance of the Trust in Year 2020 and the outlook for 2021.

GENERAL QUESTIONS AND ANSWERS

It was noted that the Manager had received several questions from Unitholders before the AGM. The Manager had addressed the relevant and substantial questions raised by Unitholders in a separate announcement on 21 April 2021.

The Chairperson invited Unitholders both physically present at the Meeting, as well as Unitholders who had dialed in online to ask questions. For Unitholders present at the meeting site, questions were asked via the microphones provided. For Unitholders who were viewing the webcast or listening to the audio feeds, they were able to post their questions via the online chat box function.

A copy of questions raised and responded thereof is attached to these minutes as Appendix I.

POLL VOTING

Ms Stefanie Yuen Thio, in her capacity as Chairperson of the Meeting, called for voting on all the resolutions to be conducted by poll pursuant to Schedule 1 of the Trust Deed. The Chairperson had been appointed as proxy by Unitholders who had directed the Chairperson of the Meeting to vote for, against, or abstain from voting on, the resolutions as set out in the Notice. Accordingly, she cast all votes as so directed for each resolution.

All valid proxy forms received by the deadline as specified in the Notice of AGM, had been accounted for and had been independently verified by DrewCorp Services Pte Ltd, the appointed scrutineers for the Meeting, and Boardroom Corporate & Advisory Services Pte Ltd, the appointed polling agent for the Meeting. A copy of the scrutineer's report setting out the voting results of each resolution had been provided to the Chairperson.

ORDINARY RESOLUTION 1

- **TO RECEIVE AND ADOPT THE TRUSTEE'S REPORT, THE STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF ESR-REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The Ordinary Resolution 1 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 1 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,915,372,443	100.00	1,913,404,319	99.90	1,968,124	0.10

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

That the Trustee's Report, the Statement by the Manager and the Audited Financial Statements of ESR-REIT for the financial year ended 31 December 2020 and the auditors' report thereon be received and adopted.

ORDINARY RESOLUTION 2

- TO RE-APPOINT ERNST & YOUNG LLP AS AUDITOR OF ESR-REIT TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE MANAGER TO FIX THEIR REMUNERATION

The Meeting proceeded to seek Unitholders' approval on the re-appointment of Ernst & Young LLP as Auditor of ESR-REIT to hold office until the conclusion of the next annual general meeting and to authorise the Manager to fix their remuneration.

The Ordinary Resolution 2 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 2 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,916,711,638	100.00	1,881,257,906	98.15	35,453,732	1.85

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

That Ernst & Young LLP be re-appointed as Auditor of ESR-REIT to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the Manager.

SPECIAL BUSINESS:

ORDINARY RESOLUTION 3

- GENERAL MANDATE FOR THE ISSUE OF UNITS AND/OR CONVERTIBLE INSTRUMENTS

Chairperson informed the Unitholders that Resolution 3 was to authorise the Manager and the Trustee to issue ESR-REIT units not exceeding 50% of the total number of issued units (excluding treasury units, if any), after adjusting for:

- (i) any new units arising from conversion or exercise of any instruments which are issued and outstanding or subsisting at the time the resolution is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of units, of which the aggregate number of units to be issued other than on a pro rata basis to existing Unitholders shall not exceed 20% of the total number of issued units (excluding treasury units, if any).

The Ordinary Resolution 3 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 3 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,916,701,424	100.00	1,876,257,213	97.89	40,444,211	2.11

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

That authority be and is hereby given to the Manager, to:

- (a) (i) *issue units in ESR-REIT (“Units”) whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of ESR-REIT’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or*
- (ii) *make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, “Instruments”),*

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) *issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),*

provided that:

- (1) *the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below;*
- (2) *subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraphs (1) above, the total number of issued Units (excluding treasury Units, if any) shall be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:*
- (a) *any new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and*
- (b) *any subsequent bonus issue, consolidation or subdivision of Units;*

- (3) *in exercising the authority conferred by this Resolution, the Manager shall comply with applicable legal requirements governing ESR-REIT, including but not limited to the provisions of the Listing Manual of the SGX-ST (the “Listing Manual”) for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting ESR-REIT (as amended) (the “Trust Deed”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);*
- (4) *(unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of ESR-REIT or (ii) the date on which the next AGM of ESR-REIT is required by applicable regulations or the Trust Deed to be held, whichever is earlier;*
- (5) *where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and*
- (6) *the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of ESR-REIT to give effect to the authority contemplated and/or authorised by this Resolution.*

ORDINARY RESOLUTION 4

- TO AUTHORISE THE MANAGER TO REPURCHASE OR OTHERWISE ACQUIRE UNITS FOR AND ON BEHALF OF ESR-REIT PURSUANT TO THE UNIT BUY-BACK MANDATE

Chairperson informed the Unitholders that Resolution 4 was to authorise the Manager to repurchase or otherwise acquire units for and on behalf of ESR-REIT in accordance with the Unit Buy-Back Mandate set out in the Circular to Unitholders dated 7 April 2021.

The rationale for the Unit Buy-Back Mandate is to provide a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value per unit, and, when exercised at appropriate times, it would help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the units and bolster market confidence in the units.

The Ordinary Resolution 4 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 4 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,916,344,994	100.00	1,914,351,666	99.90	1,993,328	0.10

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

That:

(a) *the exercise of all the powers of the Manager to repurchase or otherwise acquire Units for and on behalf of ESR-REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:*

(i) *market repurchase(s) or acquisition(s) of Units through the trading system of the SGX-ST; and/or*

(ii) *off-market repurchase(s) of Units otherwise than on a securities exchange and made under an "equal access scheme" for repurchase of Units from Unitholders in accordance with the Trust Deed,*

*and otherwise in accordance with the Trust Deed and all applicable laws and regulations including without limitation the Listing Manual as may for the time be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");*

(b) *the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:*

(i) *the date on which the next annual general meeting of ESR-REIT is or is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier;*

(ii) *the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated; or*

(iii) *the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied;*

(c) *in this Resolution:*

*"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and on the date of the market repurchase;*

*"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;*

*"**Market Day**" means a day on which the SGX-ST is open for trading in securities;*

*"**Maximum Limit**" means that number of Units representing 10.0% of the total number of issued Units as at the date of the passing of this Resolution; and*

*"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units for both a market repurchase and an off-market repurchase.*

- (d) *the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of ESR-REIT to give effect to the transactions contemplated and/or authorised by this Resolution.*

CONCLUSION

It was noted that the poll results of all the ordinary resolutions tabled for Unitholders' voting would be released after the conclusion of the Meeting via SGX-ST on the same day.

CLOSE OF THE MEETING

There being no other business to transact, the Chairperson declared the Meeting closed at 10.58 a.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings held

Ms Stefanie Yuen Thio
Chairperson

APPENDIX I

Unitholder	Mr. Manohar P Sabnani
Question 1	<p>a. With reference to the proposed merger between ESR-REIT and Sabana Shari’ah Compliant Industrial Real Estate Investment Trust (“Sabana REIT”) by way of a Trust Scheme of Arrangement, the merger did not go through and trust expenses had gone up due to the huge abortive costs of S\$4.7m. This had affected the distribution to unitholders. Though ESR has presence in many countries, ESR-REIT had yet to benefit from any value accretive acquisition from ESR Cayman Limited, the Sponsor. Are we going to tie-up faster the benefits from having ESR as the Sponsor and any lessons learnt from the merger transaction?</p> <p>b. Noted that the perpetual securities (which is classified as equity) confer a right to receive distribution at a rate of 4.6% per annum which is relatively high as compared to other REITs’ cost of borrowing, is there a way to resolve this?</p>
CEO:	<p><u>Answer to 1(a)</u> The CEO responded that the rationale for the merger between ESR-REIT and Sabana REIT was clear and he had explained numerous times last year during the proposed transaction period on the benefits of the merger to the unitholders. In addition, the Manager felt that the price offered to buy Sabana REIT was fair and ESR-REIT should not fork out more just so that the merger could go through.</p> <p>As ESR-REIT had started out as a small REIT, it is important to be able to expand in Singapore before venturing overseas. When the Sponsor bought over the Manager in 2017, they provided crucial financial support by providing backstop to the unitholders for the last two fund raising exercises so that ESR-REIT had sufficient funds to pursue the acquisition of local assets that were accretive to the unitholders. At the same time, the backstop also reduced the overall risk of the fund raising and the unitholders were not required to pay underwriting fee for the portion of funds raised under the backstop.</p> <p>To date, ESR-REIT has grown to a size of S\$3.3 billion and is ready to expand overseas. With the Sponsor’s presence in overseas markets, ESR-REIT would be able to tap into the Sponsor’s platform, network, expertise and asset pipelines while at the same time have the Sponsor’s operational support in these overseas markets. In this way, the REIT Manager ensures that the risks and return of the portfolio do not change significantly for the unitholders. The Sponsor’s support will be more apparent when ESR-REIT expands overseas.</p> <p><u>Answer to 1(b)</u> CEO informed that the banks do not treat the perpetual securities as debt even though they are unsecured and subordinated to the bank loans. He further explained that the risk-return will be assessed from the investors’ perspective. From the issuer’s perspective, perpetual securities would be considered as equity in compliance with the relevant regulatory requirements. CEO also highlighted that not all issuers are able to issue perpetual securities as perpetual securities investors will look at the portfolio whether the properties are encumbered or unencumbered as perpetual securities are ranked below secured bank loans when it comes to claims on cashflows. Most REITs who were able to issue perpetual securities had 100% unsecured assets and fulfilled certain requirements prior to the issuance of perpetual securities.</p>

	<p>CEO further explained that bigger REITs would have bigger bargaining power and would be able to issue perpetual securities at a lower cost. ESR-REIT's perpetual securities coupon rate of 4.6% is much lower than that of similar size peers' coupon rate of between 5.0% to 5.5%. Perpetual securities serve as an option for fund raising and REIT issuers need to balance between cost and gearing when deciding if perpetual securities should be issued.</p> <p>Since 2018 (post-merger of Viva Industrial Trust and ESR-REIT), ESR-REIT's gearing ratio had maintained at approximately 41%. However, ESR-REIT was able to refinance its debt ahead of expiry, at a lower interest margin and fully unsecured. Thus, CEO urged the unitholders to focus on the overall debt and capital management structure instead of only at the gearing ratio.</p>
Unitholder	Mr. Lim Khoo Sun
Question 2	<p>a. Could you please provide more details on the pipelines from ESR to be injected into ESR-REIT?</p> <p>b. Does ESR-REIT have any right of first refusal for these pipelines?</p> <p>c. How far away is ESR-REIT away from being included in the FTSE EPRA NAREIT Developed Asia Index? What are the strategies that ESR-REIT would be implementing to increase its unit price?</p>
CEO	<p><u>Answer to 2(a)</u></p> <p>CEO informed that ESR has a footprint in 6 jurisdictions including Singapore. ESR-REIT would be focusing on the more developed countries such as Australia and Japan whereby the Sponsor has sizeable amount of assets in these countries.</p> <p>For different sectors, size of assets would be different. Generally, for office and shopping malls, these assets are huge and most sponsors would not hold more than 10 to 12 of such substantial assets. For industrial and logistics assets, these assets are relatively smaller and it would not be efficient to identify the assets individually, instead it should be identified by way of jurisdiction or locations.</p> <p>CEO emphasized that ESR-REIT would be focusing on Australia and Japan as these are the key gateway cities due to the presence of our Sponsor in these countries. When identifying potential portfolio or assets to acquire, ESR-REIT would ensure that the attributes of the portfolio or assets meet the overall strategy of the REIT and that these assets are value accretive to the unitholders. He mentioned that the Manager would try not to be too prescriptive on the traits of certain identified assets so as not to pre-empt the market which would make it difficult for the Manager to negotiate deals and raise funds.</p> <p><u>Answer to 2(b)</u></p> <p>CEO replied that ESR-REIT does not have any right of first refusal over the Sponsor's assets. The right of first refusal would only be activated when the Sponsor decides to dispose or sell the assets. However, ESR-REIT is able to have a first look at the assets within ESR Group's portfolio, identify assets that suit ESR-REIT's portfolio and negotiate with the Sponsor such that if the assets are at the stage where the Sponsor is prepared to divest, ESR-REIT would be able to inform the Sponsor that ESR-REIT is interested to purchase the asset.</p>

	<p>Answer to 2(c) In relation to the FTSE EPRA NAREIT Index, there are two criteria: market capitalisation and free float. We have met the criteria for market capitalisation. However, we have yet to meet the criteria for the free-float of at least US\$800 million to US\$1 billion. Currently, ESR-REIT's free float is between US\$650 million to US\$700 million.</p>
	<p>QUESTIONS FROM WEBCAST</p>
Unitholder	Mr. Wang Meng Yuen
Question 3	<p>a. Any specific geographies when it comes to existing assessments of new asset acquisition? b. What is the ideal leverage ratio and any steps to ensure that the minority unitholders are entitled to participate in the new equity fund raising? c. How much of equity new monies is expected in the near future?</p>
Chairperson	<p>Answer to 3(a) CEO had responded that the focus is on the key developed countries such as Australia and Japan.</p>
CEO	<p>Answer to 3(b) The Manager considers the long-term ideal leverage ratio to be around 40% as the Manager would need to balance between refinancing or leverage risk against growth, taking into consideration overall market conditions, the existing portfolio, support from the banks and ESR-REIT's current debt and capital structure.</p> <p>To reduce leverage ratio to between 30% to 35%, the REIT would need to issue fairly sizable equity and raising equity without clear use of proceeds would be dilutive to both net asset value and distribution per unit to the unitholders.</p> <p>Management's main considerations in conducting any fund raising exercises is whether there are clear use of proceeds and the financial impact of the exercise on the REIT. For every equity fund raising ("EFR") exercise, Management would always try to include and take care of the existing unitholders. Therefore, for the past 2 EFRs, we had included both private placement and preferential offering. The preferential offering has been included so that existing unitholders can also benefit and participate in the EFR exercise.</p>
CEO	<p>Answer to 3(c) Management will evaluate depending on what kind of transactions the REIT would be conducting at that time, the market conditions and the cost of financing before raising funds. CEO assured the unitholders that any fund raising or acquisitions or transactions would have to be value-adding in terms of net asset value and distribution per unit for the benefit of the unitholders.</p>

ESR FUNDS MANAGEMENT (S) LIMITED
(Company Registration No. 200512804G)
Incorporated in Singapore
(acting in its capacity as manager of ESR-REIT)

**ANNUAL GENERAL MEETING
ATTENDANCE LIST**

PLACE : Suntec Singapore International Convention and Exhibition Centre,
Room 406, 1 Raffles Boulevard, Suntec City, Singapore 039593 and
by way of electronic means

DATE : Thursday, 22 April 2021

TIME : 10.00 a.m.

S/No.	Name	Position
1.	Stefanie Yuen Thio	Chairperson of AGM/ Independent Non-Executive Director
2.	Ooi Eng Peng	Independent Chairman
3.	Khor Un-Hun	Independent Non-Executive Director
4.	Ronald Lim Cheng Aun	Independent Non-Executive Director
5.	Dr Leong Horn Kee	Independent Non-Executive Director
6.	Philip John Pearce	Non-Executive Director
7.	Jeffrey David Perlman	Non-Executive Director
8.	Wilson Ang Poh Seong	Non-Executive Director
9.	Adrian Chui Wai Yin	Chief Executive Officer & Executive Director
10.	Lawrence Chan Wee Kiat	Chief Financial Officer
11.	Charlene-Jayne Chang	Head of Capital Markets and Investor Relations
12.	Nancy Tan	Head of Real Estate
13.	Loy York Ying	Head of Compliance and Risk Management
14.	Irene Phua	Head of Human Resource and Corporate Services
15.	Chiang Wai Ming	Company Secretary, TMF Singapore H Pte. Ltd.
16.	Representative of RBC Investor Services Trust Singapore Limited	Trustee of ESR-REIT
17.	Ernst & Young LLP	External Auditor of ESR-REIT
18.	PricewaterhouseCoopers LLP	Internal Auditor of the Manager
19.	WongPartnership LLP	Lawyer of the Manager