CIRCULAR DATED 21 AUGUST 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

EXECUTING

*OUR STRATEGIES*

*PROPOSED ACQUISITION: PTC LOGISTICS HUB*

STRENGTHENING

*OUR PORTFOLIO*

*PROPOSED AEI: 7000 ANG MO KIO AVENUE 5*
*(Artist Impression)*

REVITALISING

*OUR ASSETS*

*PROPOSED AEI: UE BIZHUB EAST*
*(Artist Impression)*

Sole Financial Adviser and Coordinator
in relation to the Preferential Offering

RHB Securities Singapore Pte. Ltd.

Independent Financial Adviser in relation to the Whitewash Resolution
and the Proposed Development Management Fee Supplement

KPMG

# ESR REIT

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

## CIRCULAR TO ESR-REIT UNITHOLDERS IN RELATION TO:

**(1) THE PROPOSED WHITEWASH RESOLUTION;**

**(2) THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT AND AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE DEVELOPMENT MANAGEMENT FEE;**

**(3) THE PROPOSED AMENDMENT AND RESTATEMENT OF THE ESR-REIT TRUST DEED; AND**

**(4) THE AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF PROPERTY MANAGEMENT FEES TO THE PROPERTY MANAGER.**

 If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ESR-REIT Units, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

| IMPORTANT DATES AND TIMES FOR ESR-REIT UNITHOLDERS | |
|---|---|
| Last date and time for lodgement of Proxy Forms | **9 September 2019 (Monday) at 10.00 a.m.** |
| Date and time of Extraordinary General Meeting | **12 September 2019 (Thursday) at 10.00 a.m.** |
| Place of Extraordinary General Meeting | **Suntec Singapore International Convention & Exhibition Centre, Room 334-336, 1 Raffles Boulevard, Suntec City, Singapore 039593** |

***Managed by***

**ESR Funds Management (S) Limited**

(Company Registration No. 200512804G)
(Capital Markets Services Licence No. 100132-5)
(Incorporated in the Republic of Singapore)

# RESOLUTION 1: THE PROPOSED WHITEWASH RESOLUTION

## BACKGROUND AND USE OF PROCEEDS OF THE EQUITY FUND RAISING

On 17 June 2019, the ESR-REIT Manager announced a proposed Equity Fund Raising to raise gross proceeds of up to approximately S$150.0 million, comprising a Private Placement of New Units to institutional and other investors and a non-renounceable Preferential Offering of New Units to existing ESR-REIT Unitholders on a *pro rata* basis.

As announced by the ESR-REIT Manager on 26 June 2019, approximately 194.2 million New Units were issued under the Private Placement at an issue price of S$0.515 per New Unit, to raise gross proceeds of approximately S$100.0 million. The gross proceeds from the Preferential Offering will accordingly be not more than approximately S$50.0 million.

The ESR-REIT Manager intends to utilise the net proceeds of the Equity Fund Raising in the following manner:

**1** **Proposed Acquisition of 48 Pandan Road**

**2** **Proposed AEIs on two existing assets in ESR-REIT's portfolio**

**3** **Remaining proceeds to repay existing debt thereby reducing aggregate leverage**

**1**

**DPU-Accretive Proposed Acquisition**

*The JV LLP is a strategic partnership between ESR-REIT and PTC. On completion of the Proposed Acquisition, the Property will be leased back to PTC for a term of ten years.*

**2**

**Proposed AEIs with estimated yield on cost of up to 9.0%**

**7000 AMK**

*Develop a modern high-specification industrial facility to maximise unutilised plot ratio by creating approximately 270,000 sq ft of additional GFA.*

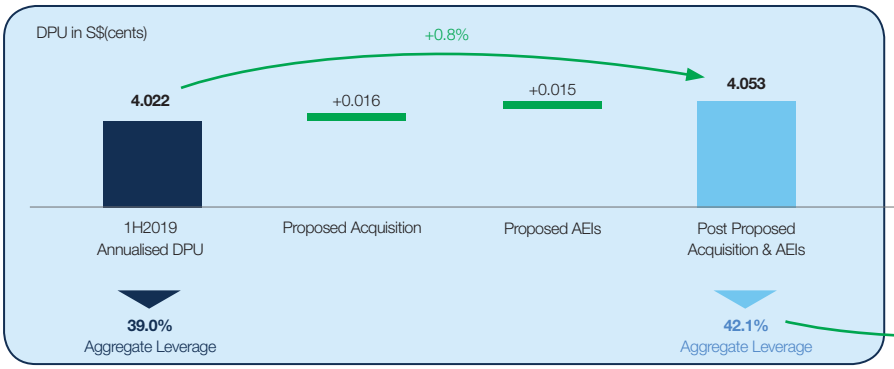
**UE BizHub EAST**

*Attract and retain quality tenants by improving traffic flow, ease of navigation and accessibility while enhancing its "work-live-play" factor.*

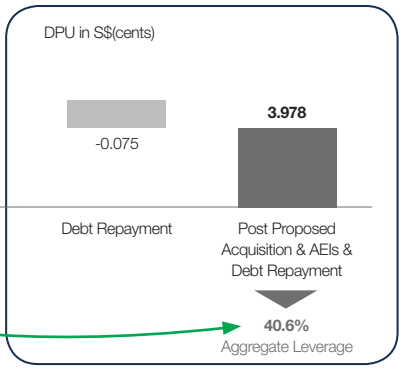
## *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

**FOR ILLUSTRATIVE PURPOSES ONLY**

**DPU-Accretive Proposed Acquisition and Proposed AEIs**




**Reduced Aggregate Leverage**




**The above *pro forma* financial effects of the Proposed Transactions are to be read in conjunction with the assumptions set out in Paragraph 2.2 on pages 24 to 26 of the Circular.**

## SPONSOR'S UNDERTAKING

To demonstrate its support for ESR-REIT and the Equity Fund Raising, the Sponsor has provided an irrevocable undertaking to the ESR-REIT Manager that it will:

**1** **Accept, or procure the acceptance, in full of its provisional allocation of New Units under the Preferential Offering**

*Resultant Concert Parties Group Unitholding*[1]

44.1%

***Subject to Resolution 1 being passed***

**2** **Apply, or procure the application, for such number of excess New Units provided that the Sponsor's and the ESR-REIT Manager's total subscription will not exceed S$50.0 million**

*Resultant Concert Parties Group Unitholding*[1]

*up to* **45.7%**

## RECOMMENDATION

The Relevant Independent Directors (Whitewash) have considered the opinion of the IFA (as set out in the IFA Letter (Whitewash) in Appendix A to this Circular) and the rationale for the Whitewash Resolution as set out in paragraph 2.11 of this Circular, and recommend that the Independent ESR-REIT Unitholders (Whitewash) **VOTE IN FAVOUR** of Resolution 1, being the Whitewash Resolution.

Note:

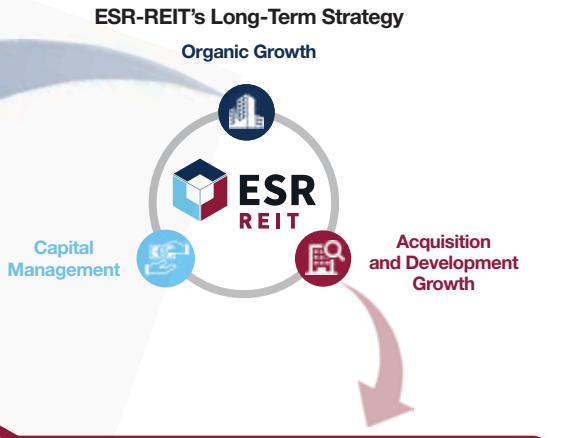
(1) Based on the assumptions set out in Paragraph 2.9 on pages 31 to 33 of the Circular.

# RESOLUTION 2: THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT AND AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE DEVELOPMENT MANAGEMENT FEE

## RATIONALE FOR THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT

The ESR-REIT Manager's key objective is to invest in a diverse portfolio of properties to achieve an attractive level of return from rental income and long-term capital growth in order to deliver stable returns to ESR-REIT Unitholders by focusing on a three-pronged approach that leverages on synergies with ESR-REIT's strong Developer-Sponsor, the ESR group, while developing a diversified and resilient property and tenant network across the Asia-Pacific.

The ESR-REIT Manager believes that Development Projects can potentially provide greater returns compared to outright acquisitions of income-producing properties and thus may improve the net asset value of ESR-REIT's portfolio and enhance distributions to ESR-REIT Unitholders.



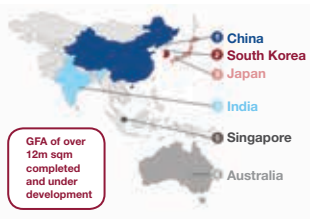

**Achieving Organic Growth:**
Potential opportunities to undertake Development Projects within ESR-REIT portfolio

1. **Development Projects to reposition appropriate properties in order to meet the needs of industrialists of today and in the future**
2. **Development Projects to unlock value from maximising the plot ratios to the best and highest use**

**Active Acquisition and Development Growth:**
Potential opportunities to participate in Development Projects with third parties, with the Sponsor or through the Sponsor's network

ESR

- ✓ Established logistics real estate developer
- ✓ Expertise throughout the development cycle




**Benefits to ESR-REIT Unitholders from Development Projects**

1. **Potential for larger unrealised valuation gain as compared to outright acquisition**
2. **Potential uplift in the price of ESR-REIT Units as a result of increase in NAV**
3. **Gross yield on construction cost is likely to be higher than on valuation amount**
4. **Higher yield could potentially increase distributions to ESR-REIT Unitholders**

**ESR-REIT Unitholders should note that in undertaking development activities, ESR-REIT will face risks commonly associated with such development activities. Please refer to Paragraph 3.3 on pages 38 to 40 of the Circular for more information.**

## THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT

The Development Management Fee shall be an amount equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the ESR-REIT Manager, payable in cash or a combination of cash and ESR-REIT Units, subject to the following:

1. **Trustee's and independent directors' review and approval required where estimated Total Project Costs are greater than S$100.0 million**
2. **Independent directors shall have the discretion to direct the ESR-REIT Manager to reduce the Development Management Fee where the market pricing for comparable development management services is materially lower**
3. **Any increase in the percentage or change in the structure of the Development Management Fee shall be approved by an Extraordinary Resolution**

## RECOMMENDATION

The Relevant Independent Directors (Development Management Fee) have considered the opinion of the IFA (as set out in the IFA Letter (Development Management Fee) in Appendix A to this Circular), the rationale for the Proposed Development Management Fee Supplement as set out in paragraph 3.3 of this Circular and all other relevant factors, and recommend that the Independent ESR-REIT Unitholders (Development Management Fee) **VOTE IN FAVOUR** of Resolution 2, being the Extraordinary Resolution relating to the Proposed Development Management Fee Supplement.

## RESOLUTION 3: THE PROPOSED AMENDMENT AND RESTATEMENT OF THE ESR-REIT TRUST DEED

### RATIONALE FOR THE PROPOSED AMENDMENT AND RESTATEMENT OF THE ESR-REIT TRUST DEED

Following the merger of VIT with ESR-REIT by way of a trust scheme of arrangement, which became effective and binding in accordance with its terms on 15 October 2018, the stapled securities of VIT were delisted from the Official List of the SGX-ST.

As VIT was listed in November 2013 and ESR-REIT has been listed since July 2006, the VI-REIT Trust Deed is more updated and in line with market standards than the ESR-REIT Trust Deed. As such, the ESR-REIT Manager, as the manager of ESR-REIT, proposes that ESR-REIT amend and restate the ESR-REIT Trust Deed to the Amended and Restated Trust Deed, the provisions of which are closely aligned to the provisions of the VI-REIT Trust Deed.

ESR REIT
Amended and Restated Trust Deed

### SUMMARY OF KEY CHANGES

| | |
|---|---|
| 1 | The Amended and Restated Trust Deed will exclude provisions which are not of present relevance to ESR-REIT, for example:<br>(a) provisions relating to stapled securities;<br>(b) provisions contemplating the listing of ESR-REIT securities on a securities exchange other than the SGX-ST; and<br>(c) provisions relating to the period prior to listing |
| 2 | The Amended and Restated Trust Deed will incorporate amendments in line with current laws and regulations and for consistency with the Listing Rules, as well as other general amendments to streamline, update and rationalise provisions for greater clarity and/or to provide greater flexibility for ESR-REIT |
| 3 | The Amended and Restated Trust Deed will incorporate provisions in the ESR-REIT Trust Deed that have more recently been updated, such as the provisions relating to issuance of ESR-REIT Units and electronic communications and provisions to facilitate the multiple proxies regime |
| 4 | Provisions relating to fees payable to the ESR-REIT Manager and the ESR-REIT Trustee will remain as reflected in the existing ESR-REIT Trust Deed (apart from clarificatory amendments and editorial changes), other than (if Resolution 2 is passed) the incorporation of the Development Management Fee Supplement |

### RECOMMENDATION

The Directors having considered all relevant factors, recommend that ESR-REIT Unitholders **VOTE IN FAVOUR** of Resolution 3, being the Extraordinary Resolution relating to the proposed amendment and restatement of the ESR-REIT Trust Deed.

## RESOLUTION 4: THE AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE PROPERTY MANAGEMENT FEES TO THE PROPERTY MANAGER

### BACKGROUND

Subject to the passing of Resolution 3 (to amend and restate the ESR-REIT Trust Deed), the ESR-REIT Manager is of the view that it is in the interests of ESR-REIT and the ESR-REIT Unitholders that the Property Management Fees from 1Q2019 onwards may in full or in part be payable in the form of ESR-REIT Units.

### RATIONALE FOR THE AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE PROPERTY MANAGEMENT FEES TO THE PROPERTY MANAGER

1 **Added flexibility to manage ESR-REIT's cashflow**

2 **Better alignment of interests between the Property Manager and ESR-REIT Unitholders**

### RECOMMENDATION

The Directors, other than Mr. Philip John Pearce who is the CEO of ESR Australia and serves on the boards of ESR Real Estate (Australia) Pty Ltd and ESR Pte Ltd as at the Latest Practicable Date, and Mr. Jeffrey David Perlman, who leads Warburg Pincus's investments in Southeast Asia and serves on the board of, *inter alia*, ESR as at the Latest Practicable Date, having considered all relevant factors, recommend that the Independent ESR-REIT Unitholders (Property Management Fees) **VOTE IN FAVOUR** of Resolution 4, being the Ordinary Resolution relating to the authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager.

# TABLE OF CONTENTS

# CORPORATE INFORMATION

| | | |
|---|---|---|
| Directors of ESR Funds Management (S) Limited (the "**ESR-REIT Manager**") | : | Mr. Ooi Eng Peng (*Independent Chairman, Chairman of the Nominating and Remuneration Committee, Member of the Audit, Risk Management and Compliance Committee*)<br><br>Mr. Bruce Kendle Berry (*Independent Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee*)<br><br>Dr. Leong Horn Kee (*Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee*)<br><br>Mr. Ronald Lim Cheng Aun (*Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee*)<br><br>Ms. Stefanie Yuen Thio (*Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee*)<br><br>Mr. Philip John Pearce (*Non-Executive Director*)<br><br>Mr. Jeffrey David Perlman (*Non-Executive Director, Member of the Nominating and Remuneration Committee*)<br><br>Mr. Tong Jinquan (*Non-Executive Director*)<br><br>Mr. Wilson Ang Poh Seong (*Non-Executive Director*)<br><br>Mr. Adrian Chui Wai Yin (*Chief Executive Officer and Executive Director*) |
| Registered Office of the ESR-REIT Manager | : | 138 Market Street<br>#26-03/04 CapitaGreen<br>Singapore 048946 |
| Trustee of ESR-REIT (the "**ESR-REIT Trustee**") | : | RBC Investor Services Trust Singapore Limited<br>8 Marina View #26-01<br>Asia Square Tower 1<br>Singapore 018960 |

| | | |
|---|---|---|
| Sole Financial Adviser and Coordinator in relation to the Preferential Offering (the "**Sole Financial Adviser and Coordinator**") | : | RHB Securities Singapore Pte. Ltd.<br>10 Collyer Quay<br>#09-08 Ocean Financial Centre<br>Singapore 049315 |
| Legal Adviser to the ESR-REIT Manager | : | WongPartnership LLP<br>12 Marina Boulevard Level 28<br>Marina Bay Financial Centre Tower 3<br>Singapore 018982 |
| Legal Adviser to the ESR-REIT Trustee | : | Dentons Rodyk & Davidson LLP<br>80 Raffles Place #33-00<br>UOB Plaza 1<br>Singapore 048624 |
| Unit Registrar and Unit Transfer Office | : | B.A.C.S. Private Limited<br>8 Robinson Road #03-00<br>ASO Building<br>Singapore 048544 |
| Independent Financial Adviser to the Relevant Independent Directors (Development Management Fee), Relevant Independent Directors (Whitewash), the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager, and the ESR-REIT Trustee (the "**IFA**") | : | KPMG Corporate Finance Pte Ltd<br>16 Raffles Quay #22-00<br>Hong Leong Building<br>Singapore 048581 |

# OVERVIEW

*The following is a summary of main points only, and is qualified in its entirety by and should be read in conjunction with the full text of this Circular. Please refer to the Definitions section of this Circular for the interpretation of words and expressions used in this Overview.*

## RESOLUTION 1: THE PROPOSED WHITEWASH RESOLUTION

### Background

On 17 June 2019, the ESR-REIT Manager announced a proposed equity fund raising to raise gross proceeds of up to approximately S$150.0 million, comprising an offering of new ESR-REIT Units ("**New Units**") by way of:

(a) a private placement of up to approximately 195.0 million New Units (the "**Private Placement**") to raise gross proceeds of not less than approximately S$75.0 million, subject to an upsize option to raise additional gross proceeds such that the total gross proceeds of the Private Placement will amount to not more than approximately S$100.0 million; and

(b) a non-renounceable preferential offering of New Units (the "**Preferential Offering**") to the existing ESR-REIT Unitholders on a *pro rata* basis to raise gross proceeds of not more than approximately S$75.0 million,

(together, the "**Equity Fund Raising**").

As announced by the ESR-REIT Manager on 26 June 2019, approximately 194.2 million New Units were issued under the Private Placement at an issue price of S$0.515 per New Unit, to raise gross proceeds of approximately S$100.0 million.

The ESR-REIT Manager has no intention of raising aggregate gross proceeds from the Equity Fund Raising in excess of approximately S$150.0 million. As gross proceeds of approximately S$100.0 million have been raised from the Private Placement, the gross proceeds from the Preferential Offering will accordingly be not more than approximately S$50.0 million.

To demonstrate its support for ESR-REIT and the Equity Fund Raising, ESR Cayman Limited (the "**Sponsor**") has provided an undertaking to the ESR-REIT Manager (the "**Sponsor Undertaking**") that it will (a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the Whitewash Resolution (as defined below)) apply, or procure the application, for such number of excess New Units, to the extent they remain unsubscribed after satisfaction of all applications (if any) for excess New Units by ESR-REIT Unitholders (other than the Sponsor) (the "**Sponsor Excess Application**"), provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

The ESR-REIT Manager intends to utilise the net proceeds of the Equity Fund Raising to fully fund the Total Acquisition Costs and the Proposed Asset Enhancement Initiatives, as well as repay existing indebtedness of ESR-REIT. Please refer to paragraph 2.1 of this Circular for further details.

### Details of the Preferential Offering

The ESR-REIT Manager proposes to issue New Units to raise gross proceeds of not more than approximately S$50.0 million pursuant to the Preferential Offering. The structure of and time schedule for the Preferential Offering and the issue price of the New Units under the Preferential Offering ("**Preferential Offering Issue Price**") have not been determined.

RHB Securities Singapore Pte. Ltd. has been appointed as the Sole Financial Adviser and Coordinator in relation to the Preferential Offering.

The ESR-REIT Manager will work with the Sole Financial Adviser and Coordinator to determine the structure of and time schedule for the Preferential Offering and the Preferential Offering Issue Price, after taking into account market conditions and other factors that the ESR-REIT Manager and the Sole Financial Adviser and Coordinator may consider relevant. The ESR-REIT Manager will announce the details of the Preferential Offering via SGXNET at the appropriate time.

It is contemplated that the Preferential Offering will not be underwritten. Given the provision of the Sponsor Undertaking, the ESR-REIT Manager is of the view that there is no requirement for the Preferential Offering to be underwritten.

**Rule 14 of the Take-over Code**

In the event that the Sponsor (a) accepts, or procures the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the Whitewash Resolution) undertakes the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million, the Sponsor and persons acting in concert or presumed to be acting in concert with it in relation to ESR-REIT (the "**Concert Parties Group**") may possibly end up acquiring additional ESR-REIT Units in excess of the threshold pursuant to Rule 14.1(b) of the Singapore Code on Take-overs and Mergers (the "**Take-over Code**").

Pursuant to Rule 14.1(b) of the Take-over Code, except with the consent of the Securities Industry Council of Singapore (the "**SIC**"), where any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional ESR-REIT Units carrying more than 1.0% of the voting rights, such person must extend offers immediately, on the basis set out in Rule 14 of the Take-over Code, to the holders of ESR-REIT Units. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In the event that the ESR-REIT Manager raises gross proceeds of approximately S$50.0 million pursuant to the Preferential Offering, and the Sponsor accepts, or procures the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement, and is allotted excess New Units, the Sponsor's percentage unitholding following the Preferential Offering may increase by more than 1.0%. Accordingly, the Concert Parties Group's percentage unitholding following the Preferential Offering may also increase by more than 1.0%, such that the threshold pursuant to Rule 14.1(b) of the Take-over Code is exceeded. This will trigger the obligation to make a general offer pursuant to Rule 14 of the Take-over Code ("**Mandatory Offer**") for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired by the Concert Parties Group.

The exact percentage increase following the Preferential Offering would depend on the overall level of acceptances and excess applications by ESR-REIT Unitholders for the provisional allocation of New Units and excess New Units (as the case may be) under the Preferential Offering, as in compliance with Rule 877(10) of the Listing Manual, the Sponsor, amongst others, will rank last in the allocation of excess unit applications.

**Waiver from Rule 14 of the Take-over Code**

The SIC has on 15 July 2019 granted a waiver of the obligation of the Concert Parties Group to make a Mandatory Offer under Rule 14 of the Take-over Code (the "**SIC Waiver**") should the obligation to do so arise as a result of the Sponsor:

(a) accepting, or procuring the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and

(b) (subject to approval of the Whitewash Resolution) undertaking the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million,

subject to the satisfaction of the conditions specified in the SIC Waiver, including the approval of the Whitewash Resolution by ESR-REIT Unitholders who are considered independent for the purposes of the Whitewash Resolution ("**Independent ESR-REIT Unitholders (Whitewash)**").

The ESR-REIT Manager understands that the Concert Parties Group does not intend to, or wish to be subject to the obligation to, make a Mandatory Offer for ESR-REIT as a result of the Preferential Offering. As such, in accordance with the conditions specified in the SIC Waiver, ESR-REIT will be seeking the approval of the Independent ESR-REIT Unitholders (Whitewash) on the Whitewash Resolution.

**Rationale for the Whitewash Resolution**

The ESR-REIT Manager proposes to seek approval from Independent ESR-REIT Unitholders (Whitewash) for a waiver of their right to receive a Mandatory Offer from the Concert Parties Group for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired by the Concert Parties Group pursuant to Rule 14 of the Take-over Code ("**Whitewash Resolution**"), to enable the Sponsor to (a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the Whitewash Resolution) undertake the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

The ESR-REIT Manager is of the view that the Sponsor should not be treated differently from any other ESR-REIT Unitholder and should be given the opportunity to apply for excess New Units. In addition, the application by the Sponsor for excess New Units will further demonstrate the Sponsor's support for and confidence in the Preferential Offering (and the proposed use of proceeds) and its long-term commitment to ESR-REIT, as well as align the interests of the Sponsor with those of other ESR-REIT Unitholders, thereby enhancing the chances of a successful Preferential Offering.

**Abstention from Voting**

The Concert Parties Group (being the Sponsor and parties acting in concert or presumed to be acting in concert with it in relation to ESR-REIT) and parties not independent of them will abstain from voting on the Whitewash Resolution.

**Appointment and Opinion of Independent Financial Adviser**

The ESR-REIT Manager has appointed KPMG Corporate Finance Pte Ltd as the independent financial adviser to advise the Relevant Independent Directors (Whitewash) and the ESR-REIT Trustee in relation to the Whitewash Resolution. Having considered the factors and made the assumptions set out in the IFA Letter (Whitewash), and subject to the qualifications set out therein, the IFA is of the view that the terms of the Preferential Offering, being the subject of the Whitewash Resolution, are fair and reasonable.

**RESOLUTION 2: THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT AND AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE DEVELOPMENT MANAGEMENT FEE**

The ESR-REIT Manager proposes to supplement the ESR-REIT Trust Deed ("**Proposed Development Management Fee Supplement**") by introducing a development management fee ("**Development Management Fee**") payable to the ESR-REIT Manager.

Subject to the terms thereof, the proposed Development Management Fee is an amount equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the ESR-REIT Manager on behalf of ESR-REIT, payable in cash and/or ESR-REIT Units.

As development manager, the ESR-REIT Manager shall be responsible for providing development management services, such as, *inter alia*, the sourcing for and conducting of feasibility studies on development opportunities, and will be responsible for the planning, control and monitoring of the progress of the Development Project from conception to completion to ensure that the Development Project is completed within the stipulated time and budget and to the stipulated quality.

The ESR-REIT Manager believes that the Proposed Development Management Fee Supplement will provide the ESR-REIT Manager with an adequate amount of compensation to provide the ESR-REIT Manager with the incentive to seize opportunities as they arise that may enhance ESR-REIT's existing portfolio, and will be beneficial to ESR-REIT Unitholders as Development Projects can provide significant returns to supplement the income derived from other areas of ESR-REIT's business and thus also contribute to improving the net asset value of ESR-REIT's portfolio.

**Abstention from Voting**

The ESR-REIT Manager and its associates (including ESR and its associates), Shanghai Summit Pte. Ltd., a 25% shareholder of the ESR-REIT Manager and its associates, and Mitsui and Co., Ltd., a shareholder of the ESR-REIT Manager, will abstain from voting on the resolution to approve the Proposed Development Management Fee Supplement and authorise the issue of ESR-REIT Units in payment of the Development Management Fee.

**Appointment of Independent Financial Adviser**

The ESR-REIT Manager has appointed KPMG Corporate Finance Pte Ltd as the independent financial adviser to advise the Relevant Independent Directors (Development Management Fee), the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager, and the ESR-REIT Trustee in relation to the Proposed Development Management Fee Supplement. Having considered the principal terms of the Proposed Development Management Fee Supplement, and subject to the assumptions and qualifications set out in the IFA Letter (Development Management Fee), the IFA is of the view that the Proposed Development Management Fee Supplement is on normal commercial terms and not prejudicial to ESR-REIT and the minority ESR-REIT Unitholders.

**RESOLUTION 3: THE PROPOSED AMENDMENT AND RESTATEMENT OF THE ESR-REIT TRUST DEED**

The ESR-REIT Manager proposes that ESR-REIT amend and restate the ESR-REIT Trust Deed to the Amended and Restated Trust Deed, to incorporate amendments in line with current laws and regulations and for consistency with the Listing Rules, as well as other general amendments to streamline, update and rationalise provisions for greater clarity and/or to provide greater flexibility for ESR-REIT. The proposed Amended and Restated Trust Deed will be closely aligned

to the Trust Deed of Viva Industrial Real Estate Investment Trust, comprising part of the stapled group of Viva Industrial Trust, which was delisted in October 2018 following its merger with ESR-REIT. The Amended and Restated Trust Deed will exclude provisions which are not of present relevance to ESR-REIT, for example: (a) provisions relating to stapled securities, (b) provisions contemplating the listing of ESR-REIT securities on a securities exchange other than the SGX-ST, and (c) provisions relating to the period prior to listing. It will also incorporate provisions in the ESR-REIT Trust Deed that have more recently been updated, such as the provisions relating to issuance of ESR-REIT Units and electronic communications and to facilitate the multiple proxies regime.

Provisions relating to fees payable to the ESR-REIT Manager and the ESR-REIT Trustee will remain as reflected in the existing ESR-REIT Trust Deed (apart from clarificatory amendments and editorial changes), other than (if Resolution 2 is passed) the incorporation of the Proposed Development Management Fee Supplement.

For ease of reference, extracted and summarised in the table below are a *selection* of key proposed changes to the existing ESR-REIT Trust Deed:

| **Relevant provisions relating to:** | **Proposed key changes to the existing ESR-REIT Trust Deed** |
|---|---|
| ESR-REIT Units | 1. Special rights attached to any class of ESR-REIT Units may be varied or abrogated with the consent in writing of 75% of the ESR-REIT Units of the class or with the sanction of an extraordinary resolution at a separate meeting of ESR-REIT Unitholders of the class<br><br>2. There shall be no restriction on the transfer of fully paid ESR-REIT Units except where required by the Relevant Laws, Regulations and Guidelines<br><br>3. Preference ESR-REIT Units may be issued, subject to:<br><br>(a) any limitation prescribed by the SGX-ST; and<br><br>(b) total number of issued preference ESR-REIT Units not exceeding the total number of ordinary ESR-REIT Units at any time<br><br>4. Preference ESR-REIT Unitholders shall have the right to vote at any meeting convened for the purpose of, *inter alia*, winding up and sanctioning a sale of the undertaking of ESR-REIT<br><br>5. Subject to any direction to the contrary given by an Ordinary Resolution, all new ESR-REIT Units shall be offered on a *pro rata* basis to such persons who as at the date of the offer are entitled to receive notices of meetings of ESR-REIT Unitholders |

| Relevant provisions relating to: | Proposed key changes to the existing ESR-REIT Trust Deed |
|---|---|
| ESR-REIT Trustee and ESR-REIT Manager | 1. The ESR-REIT Manager and ESR-REIT Trustee are entitled to be indemnified out of the Deposited Property in respect of any liability that each of them may incur pursuant to a proper exercise of its powers and duties<br><br>2. The ESR-REIT Manager covenants, *inter alia*, the following relating to the Directors:<br><br>(a) a Director shall not vote in respect of any matter in which he has any personal material interest, direct or indirect;<br><br>(b) the managing Director shall at all times be subject to the control of the board of Directors; and<br><br>(c) where a Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of Directors<br><br>3. The ESR-REIT Trustee and ESR-REIT Manager may take action which it deems appropriate in connection with the prevention of fraud, money-laundering, terrorism or other criminal activities or the provision of financial and other services to any persons or entities which may be subject to sanctions<br><br>4. The ESR-REIT Manager may be removed by a resolution passed by a simple majority of ESR-REIT Unitholders present and voting (with no ESR-REIT Unitholder disenfranchised) |
| Property Management Fees | 1. Property Management Fees may be paid in the form of Cash and/or ESR-REIT Units as the ESR-REIT Manager may in its sole discretion determine<br><br>2. Where the Property Management Fees are payable in the form of ESR-REIT Units:<br><br>(a) the Property Manager shall be entitled to receive such number of ESR-REIT Units as may be purchased with such Property Management Fees at the volume weighted average traded price for an ESR-REIT Unit for all trades on the SGX-ST for the last 10 Business Days immediately preceding the end of the relevant calendar quarter for which such fees relate to; and<br><br>(b) such ESR-REIT Units issued to the Property Manager shall be credited as fully paid and rank *pari passu* with other ESR-REIT Units |

| Relevant provisions relating to: | Proposed key changes to the existing ESR-REIT Trust Deed |
|---|---|
| Meetings of ESR-REIT Unitholders | 1. 21 clear days' notice of every meeting of ESR-REIT Unitholders is required to pass an Extraordinary Resolution<br><br>2. Each notice of meeting of ESR-REIT Unitholders shall be given by advertisement in the daily press and in writing to the SGX-ST<br><br>3. Every ESR-REIT Unitholder shall have a right to attend any general meeting of the ESR-REIT Unitholders and to speak and vote on any resolution before such meeting |

**ESR-REIT Unitholders should note that the above summary is non-exhaustive, and ESR-REIT Unitholders should refer to paragraph 4.2 and Appendix C of the Circular for a more comprehensive summary of the key changes to the ESR-REIT Trust Deed and extracts of key clauses in the Amended and Restated Trust Deed which are substantively changed or are new or significantly different from the corresponding provisions in the existing ESR-REIT Trust Deed.**

**RESOLUTION 4: THE AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE PROPERTY MANAGEMENT FEES TO THE PROPERTY MANAGER**

Subject to the passing of Resolution 3, the ESR-REIT Manager proposes to allow for the Property Management Fees for 1Q2019 onwards that is payable under the Property Management Agreement, to be paid in the form of Cash and/or ESR-REIT Units as the ESR-REIT Manager may in its sole discretion determine.

The ESR-REIT Manager believes that the ability to pay the Property Management Fees in ESR-REIT Units will give the ESR-REIT Manager added flexibility to manage ESR-REIT's cashflow, and, to the extent the Property Manager receives the Property Management Fees in ESR-REIT Units, will result in better alignment of interests between the Property Manager and ESR-REIT Unitholders.

Any ESR-REIT Units issued to the Property Manager as payment for the Property Management Fees will be credited as fully paid and ranking *pari passu* in all respects with the other ESR-REIT Units in issue.

If Resolution 4 is passed, a portion of the Property Management Fees for 1Q2019 amounting to S$819,477.59 will be paid in ESR-REIT Units, based on the Market Price (as referred to in paragraph 4.2(w)(iii) of this Circular) of S$0.5351 per ESR-REIT Unit. Accordingly, 1,531,447 ESR-REIT Units will be issued to the Property Manager as partial payment for the 1Q2019 Property Management Fees.

**Abstention from Voting**

The Property Manager and its associates (including ESR and its associates) will abstain from voting on the resolution to authorise the issue of ESR-REIT Units in payment of the Property Management Fees to the Property Manager.

# DEFINITIONS

The following definitions shall apply throughout this Circular unless the context otherwise requires or unless otherwise stated:

| | | |
|---|---|---|
| "**1H2019**" | : | The first half of FY2019 |
| "**1Q2019**" | : | The first quarter of FY2019 |
| "**2Q2019**" | : | The second quarter of FY2019 |
| "**7000 AMK**" | : | The property situated at 7000 Ang Mo Kio Avenue 5, Singapore 569877 |
| "**Amended and Restated Trust Deed**" | : | The amended and restated ESR-REIT Trust Deed, proposed to be approved and adopted by the ESR-REIT Unitholders at the EGM |
| "**Business Day**" | : | A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore |
| "**CDP**" | : | The Central Depository (Pte) Limited |
| "**Circular**" | : | This circular to ESR-REIT Unitholders dated 21 August 2019 |
| "**Code**" | : | The Code on Collective Investment Schemes, as the same may be modified, amended, supplemented, revised or replaced from time to time |
| "**Companies Act**" | : | The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time |
| "**Completion of Acquisition Announcement**" | : | The announcement titled "Completion Of Acquisition Of 48 Pandan Road, Singapore 609289 And Use Of Proceeds From The Private Placement" dated 7 August 2019 in relation to the Proposed Acquisition and the Private Placement |
| "**Concert Parties Group**" | : | The Sponsor and parties acting in concert or presumed to be acting in concert with it in relation to ESR-REIT |
| "**Debt Repayment**" | : | The proposed repayment of existing indebtedness of ESR-REIT using proceeds from the Equity Fund Raising |
| "**Development Management Fee**" | : | Has the meaning ascribed to it at paragraph 3.1 of this Circular |

| | | |
|---|---|---|
| "**Development Project**" | : | A project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by ESR-REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and/or renovations |
| "**Directors**" | : | The directors of the ESR-REIT Manager |
| "**DPU**" | : | Distribution per ESR-REIT Unit |
| "**EFR Launch Announcement**" | : | The announcement titled "Launch Of Equity Fund Raising To Raise Gross Proceeds Of Up To Approximately S$150.0 Million" dated 17 June 2019 in relation to the Equity Fund Raising |
| "**EGM**" | : | The extraordinary general meeting of ESR-REIT Unitholders to be held on 12 September 2019 (Thursday) at 10.00 a.m., notice of which is set out on pages N-1 to N-3 of this Circular |
| "**Equity Fund Raising**" | : | The proposed equity fund raising, comprising the Private Placement and the Preferential Offering |
| "**ESR**" or "**Sponsor**" | : | ESR Cayman Limited |
| "**ESR-REIT**" | : | ESR-REIT, a unit trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended) |
| "**ESR-REIT Group**" | : | ESR-REIT and its subsidiaries |
| "**ESR-REIT Manager**" | : | ESR Funds Management (S) Limited, solely in its capacity as manager of ESR-REIT, and shall also refer to the manager of ESR-REIT from time to time, where the context so requires or permits |
| "**ESR-REIT Trust Deed**" | : | The deed of trust dated 31 March 2006 constituting ESR-REIT entered into between the ESR-REIT Manager and the ESR-REIT Trustee, as supplemented and amended by a first supplemental deed dated 15 August 2007, a second supplemental deed dated 28 January 2009, a third supplemental deed dated 13 November 2009, a fourth supplemental deed dated 27 January 2010, a fifth supplemental deed dated 22 April 2010, a sixth supplemental deed dated 2 February 2012, a seventh supplemental deed dated 18 November 2014, an eighth supplemental deed dated 27 May 2015, a ninth supplemental deed dated 15 March 2016, a tenth supplemental deed dated 15 March 2017, an eleventh supplemental deed dated 20 June 2017 and a twelfth supplemental deed dated 30 November 2018 |

| | | |
|---|---|---|
| "**ESR-REIT Trustee**" | : | RBC Investor Services Trust Singapore Limited, solely in its capacity as trustee of ESR-REIT |
| "**ESR-REIT Unit**" | : | A unit representing an undivided interest in ESR-REIT |
| "**ESR-REIT Unitholder**" | : | The registered holder for the time being of an ESR-REIT Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term "ESR-REIT Unitholder" shall, in relation to ESR-REIT Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with ESR-REIT Units |
| "**Extraordinary Resolution**" | : | A resolution proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution at a meeting of ESR-REIT Unitholders convened in accordance with the provisions of the ESR-REIT Trust Deed |
| "**FY**" | : | Financial year |
| "**GFA**" | : | Gross floor area |
| "**Ho Lee Group**" | : | Means collectively, Perpetual (Asia) Limited in its capacity as trustee of Ho Lee Group Trust, Tan Thuan Teck, Tan Hai Peng Micheal, and Kan Phui Lin |
| "**IFA**" | : | KPMG Corporate Finance Pte Ltd, being the independent financial adviser to the Relevant Independent Directors (Development Management Fee), Relevant Independent Directors (Whitewash), the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager, and the ESR-REIT Trustee |
| "**IFA Letter (Development Management Fee)**" | : | The letter from the IFA to the Relevant Independent Directors (Development Management Fee), the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager, and the ESR-REIT Trustee, relating to the Proposed Development Management Fee Supplement |
| "**IFA Letter (Whitewash)**" | : | The letter from the IFA to the Relevant Independent Directors (Whitewash) and the ESR-REIT Trustee, relating to the Whitewash Resolution |
| "**IFA Letters**" | : | The IFA Letter (Development Management Fee) and the IFA Letter (Whitewash) |
| "**Independent ESR-REIT Unitholders (Development Management Fee)**" | : | The ESR-REIT Unitholders who are considered independent for the purposes of Resolution 2 relating to the Proposed Development Management Fee Supplement, which, for the avoidance of doubt, exclude the ESR-REIT Manager and its associates (including ESR and its associates) |

| | | |
|---|---|---|
| "**Independent ESR-REIT Unitholders (Property Management Fees)**" | : | The ESR-REIT Unitholders who are considered independent for the purposes of Resolution 4, being the authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager, which, for the avoidance of doubt, exclude the Property Manager and its associates (including ESR and its associates) |
| "**Independent ESR-REIT Unitholders (Whitewash)**" | : | The ESR-REIT Unitholders who are considered independent for the purposes of the Whitewash Resolution, which, for the avoidance of doubt, exclude the Concert Parties Group and parties not considered independent of the Concert Parties Group |
| "**Joint Global Co-ordinators and Bookrunners**" | : | Has the meaning ascribed to it at paragraph 2.3 of this Circular |
| "**JV LLP**" | : | PTC Logistics Hub LLP |
| "**Latest Practicable Date**" | : | Where used in this Circular in relation to any particular information, means 13 August 2019, being the latest practicable date prior to the printing of this Circular in relation to such information |
| "**Leaseback**" | : | The leaseback of the Property by the JV LLP as landlord, to PTC as tenant, for a term of ten years, following completion of the Proposed Acquisition |
| "**Listing Manual**" | : | The Listing Manual of the SGX-ST, as the same may be modified, amended, supplemented, revised or replaced from time to time |
| "**Listing Rules**" | : | The listing rules of the SGX-ST set out in the Listing Manual |
| "**Mandatory Offer**" | : | A general offer made pursuant to Rule 14 of the Take-over Code |
| "**NAV**" | : | Net asset value attributable to ESR-REIT Unitholders |
| "**New Units**" | : | New ESR-REIT Units to be issued pursuant to the Equity Fund Raising |
| "**Notice of EGM**" | : | The notice of EGM, found on pages N-1 to N-3 of this Circular |
| "**Option Agreement**" | : | The put and call option agreement entered into between the JV LLP and PTC on 17 June 2019 for the JV LLP to acquire the leasehold interest over the Property |

| | | |
|---|---|---|
| "**Ordinary Resolution**" | : | A resolution proposed and passed as such by a majority being greater than 50% of the total number of votes cast for and against such resolution at a meeting of ESR-REIT Unitholders convened in accordance with the provisions of the ESR-REIT Trust Deed |
| "**Placement Agreement**" | : | Has the meaning ascribed to it at paragraph 2.3 of this Circular |
| "**PMA Announcement**" | : | The announcement titled "Entry Into Property Management Agreements" dated 31 December 2018 in relation to the entry into the Property Management Agreement |
| "**Preferential Offering**" | : | A non-renounceable preferential offering of New Units to existing ESR-REIT Unitholders on a *pro rata* basis |
| "**Preferential Offering Issue Price**" | : | The issue price of the New Units to be issued pursuant to the Preferential Offering |
| "**Private Placement**" | : | A private placement of New Units to institutional and other investors |
| "**Private Placement Issue Price**" | : | The issue price of the New Units issued pursuant to the Private Placement, being S$0.515 per New Unit |
| "**Property**" | : | The property situated at 48 Pandan Road, Singapore 609289 |
| "**Property Funds Appendix**" | : | Appendix 6 to the Code, which applies to a scheme which invests or proposes to invest primarily in real estate and real estate-related assets |
| "**Property Management Agreement**" | : | The property management agreement(s) entered into by the ESR-REIT Trustee, the ESR-REIT Manager and the Property Manager relating to the properties of ESR-REIT for the time being in force; and shall mean, as at the Latest Practicable Date, the property management agreement dated 31 December 2018 entered into amongst the ESR-REIT Trustee, the ESR-REIT Manager and the Property Manager, relating to the properties of ESR-REIT |
| "**Property Management Fees**" | : | Collectively, the fees payable to the Property Manager under the Property Management Agreement |
| "**Property Manager**" | : | The property manager of ESR-REIT for the time being |
| "**Proposed Acquisition**" | : | The proposed acquisition of the Property under the Option Agreement |
| "**Proposed Acquisition Announcement**" | : | The announcement titled "Entry Into Joint Venture And Acquisition Of 48 Pandan Road, Singapore 609289" dated 17 June 2019 in relation to the Proposed Acquisition |

| | | |
|---|---|---|
| "**Proposed AEI Announcement**" | : | The press release titled "ESR-REIT's AEI Plans for 2 Existing Properties Positioned to Attract High Value Tenants" dated 17 June 2019 in relation to the Proposed Asset Enhancement Initiatives |
| "**Proposed Asset Enhancement Initiatives**" or "**Proposed AEIs**" | : | The proposed asset enhancement initiatives on 7000 AMK and UE BizHub EAST, as described in paragraph 2.1 of this Circular |
| "**Proposed Development Management Fee Supplement**" | : | Has the meaning ascribed to it at paragraph 3.1 of this Circular |
| "**Proposed Transactions**" | : | The Proposed Acquisition, the Proposed Asset Enhancement Initiatives and the Debt Repayment, collectively |
| "**PTC**" | : | Poh Tiong Choon Logistics Limited |
| "**quarter**" | : | Any of the following three-month periods commencing 1 January, 1 April, 1 July or 1 October, of an FY |
| "**REIT**" | : | Real estate investment trust |
| "**Relevant Independent Directors (Development Management Fee)**" | : | The Directors who are considered independent for the purposes of the Proposed Development Management Fee Supplement, being Mr. Ooi Eng Peng, Mr. Bruce Kendle Berry, Dr. Leong Horn Kee, Mr. Ronald Lim Cheng Aun, Ms. Stefanie Yuen Thio and Mr. Wilson Ang Poh Seong |
| "**Relevant Independent Directors (Whitewash)**" | : | The Directors who are considered independent for the purposes of the Whitewash Resolution, being Mr. Ooi Eng Peng, Mr. Bruce Kendle Berry, Dr. Leong Horn Kee, Mr. Ronald Lim Cheng Aun, Ms. Stefanie Yuen Thio, Mr. Wilson Ang Poh Seong and Mr. Adrian Chui Wai Yin |
| "**Results of Private Placement Announcement**" | : | The announcement titled "Results Of The Private Placement And Pricing Of New Units Under The Private Placement" dated 18 June 2019 in relation to the Private Placement |
| "**Securities Account**" | : | A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent |
| "**SFA**" | : | The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time |
| "**SGX-ST**" | : | Singapore Exchange Securities Trading Limited |
| "**SIC**" | : | Securities Industry Council of Singapore |

| | | |
|---|---|---|
| "**SIC Conditions**" | : | The conditions imposed by the SIC for the grant of the SIC Waiver |
| "**SIC Waiver**" | : | The waiver of the obligation of the Concert Parties Group to make a Mandatory Offer under Rule 14 of the Take-over Code granted by the SIC on 15 July 2019 |
| "**Sole Financial Adviser and Coordinator**" | : | RHB Securities Singapore Pte. Ltd., being the Sole Financial Adviser and Coordinator in relation to the Preferential Offering |
| "**Sponsor Excess Application**" | : | The application, by or procured by the Sponsor (subject to approval of the Whitewash Resolution), for such number of excess New Units, to the extent they remain unsubscribed after satisfaction of all applications (if any) for excess New Units by ESR-REIT Unitholders (other than the Sponsor), as referred to in paragraph 2.1 of this Circular |
| "**Sponsor Undertaking**" | : | The irrevocable undertaking dated 9 July 2019 provided by the Sponsor to the ESR-REIT Manager, as described in paragraph 2.8 of this Circular |
| "**Substantial ESR-REIT Unitholder**" | : | An ESR-REIT Unitholder which has an interest or interests in ESR-REIT Units where the total votes attached to such ESR-REIT Units are not less than 5% of the total votes attached to all ESR-REIT Units |
| "**Take-over Code**" | : | The Singapore Code on Take-overs and Mergers |
| "**Total Acquisition Costs**" | : | The total acquisition costs attributable to ESR-REIT in connection with the Proposed Acquisition, being approximately S$44.4 million |
| "**UE BizHub EAST**" | : | The property situated at 2, 4, 6 & 8 Changi Business Park Avenue 1, Singapore 486015/486016/486017/486018 |
| "**VI-REIT**" | : | Previously Viva Industrial Real Estate Investment Trust, comprising part of the stapled group of VIT, and now known as "Viva Trust" |
| "**VI-REIT Trust Deed**" | : | The first amended and restated trust deed dated 14 October 2013 constituting VI-REIT (amending and restating the trust deed dated 23 August 2013 constituting VI-REIT), which was applicable to VI-REIT at the time of the merger of ESR-REIT with VIT in 2018 |
| "**VIT**" | : | Viva Industrial Trust, a stapled group comprising VI-REIT and Viva Industrial Business Trust, which was previously listed on the SGX-ST and was delisted from the SGX-ST in October 2018 following the merger with ESR-REIT |
| "**Viva Trust**" | : | Viva Trust, a wholly-owned sub-trust of ESR-REIT |

| | | |
|---|---|---|
| "**Viva Trust Deed**" | : | The trust deed constituting Viva Trust |
| "**Whitewash Resolution**" | : | The Ordinary Resolution proposed as Resolution 1 in the Notice of EGM to be approved by a majority of the Independent ESR-REIT Unitholders (Whitewash), by way of a poll, to waive their rights to receive a Mandatory Offer from the Concert Parties Group |
| "**%**" | : | Per centum or percentage |
| "**S$**" and "**cents**" | : | Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore |

A reference to "**paragraph**" is a reference to a paragraph of this Circular unless the context otherwise requires.

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**associate**" shall have the meaning ascribed to it in the Property Funds Appendix.

The term "**controlling ESR-REIT Unitholder**" shall bear the same meaning as "Controlling unitholder" as defined in the Property Funds Appendix.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one gender shall, where applicable, include the other genders where applicable. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Listing Manual or the Property Funds Appendix and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or the Property Funds Appendix, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Code, the Companies Act, the SFA, the Listing Manual and the Property Funds Appendix) contained in this Circular are of such laws and regulations (including the Code, the Companies Act, the SFA, the Listing Manual and the Property Funds Appendix) as at the Latest Practicable Date.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof, or discrepancies between figures included in the tables and figures in the text of this Circular, are due to rounding.

The headings in this Circular are for ease of reference only and are not to be taken into account in the interpretation or construction of this Circular or any of its contents.

## FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the ESR-REIT Manager's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. ESR-REIT Unitholders and investors should not place undue reliance on such forward-looking statements, and the ESR-REIT Manager does not undertake any obligation to update publicly or revise any forward-looking statements.

# ESR-REIT

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

| **Directors of the ESR-REIT Manager (the "Directors"):** | | **Registered Office:** |
|---|---|---|
| Mr. Ooi Eng Peng | (*Independent Chairman, Chairman of the Nominating and Remuneration Committee, Member of the Audit, Risk Management and Compliance Committee*) | 138 Market Street<br>#26-03/04<br>CapitaGreen<br>Singapore 048946 |
| Mr. Bruce Kendle Berry | (*Independent Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee*) | |
| Dr. Leong Horn Kee | (*Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee*) | |
| Mr. Ronald Lim Cheng Aun | (*Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee*) | |
| Ms. Stefanie Yuen Thio | (*Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee*) | |
| Mr. Philip John Pearce | (*Non-Executive Director*) | |
| Mr. Jeffrey David Perlman | (*Non-Executive Director, Member of the Nominating and Remuneration Committee*) | |
| Mr. Tong Jinquan | (*Non-Executive Director*) | |
| Mr. Wilson Ang Poh Seong | (*Non-Executive Director*) | |
| Mr. Adrian Chui Wai Yin | (*Chief Executive Officer and Executive Director*) | |

21 August 2019

To: ESR-REIT Unitholders

Dear Sir/Madam

**(1) THE PROPOSED WHITEWASH RESOLUTION**

**(2) THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT AND AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE DEVELOPMENT MANAGEMENT FEE**

**(3) THE PROPOSED AMENDMENT AND RESTATEMENT OF THE ESR-REIT TRUST DEED**

**(4) THE AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE PROPERTY MANAGEMENT FEES TO THE PROPERTY MANAGER**

## 1. INTRODUCTION

1.1 The Directors are convening the EGM to seek the approval of the ESR-REIT Unitholders for four resolutions as set out in the Notice of EGM on pages N-1 to N-3 of this Circular:

(a) the Ordinary Resolution relating to the proposed Whitewash Resolution;

(b) the Extraordinary Resolution relating to the Proposed Development Management Fee Supplement and authority to issue ESR-REIT Units in payment of the Development Management Fee;

(c) the Extraordinary Resolution relating to the proposed amendment and restatement of the ESR-REIT Trust Deed; and

(d) the Ordinary Resolution relating to the authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager.

1.2 The purpose of this Circular is to provide ESR-REIT Unitholders with information relating to the proposed resolutions referred to in paragraph 1.1, and may not be relied upon by any persons (other than ESR-REIT Unitholders) or for any other purpose.

**If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.**

If you have sold or transferred all your ESR-REIT Units, you should immediately forward this Circular with the Notice of EGM and the attached proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

## 2. THE PROPOSED WHITEWASH RESOLUTION

### 2.1 Background

On 17 June 2019, the ESR-REIT Manager announced a proposed equity fund raising, comprising an offering of new ESR-REIT Units ("**New Units**") by way of:

(a) a private placement of up to approximately 195.0 million New Units (the "**Private Placement**") to institutional and other investors at an issue price of between S$0.515 and S$0.525 per New Unit to raise gross proceeds of not less than approximately S$75.0 million, subject to an upsize option to raise additional gross proceeds such that the total gross proceeds of the Private Placement will amount to not more than approximately S$100.0 million; and

(b) a non-renounceable preferential offering of New Units (the "**Preferential Offering**") to the existing ESR-REIT Unitholders on a *pro rata* basis to raise gross proceeds of not more than approximately S$75.0 million,

(together, the "**Equity Fund Raising**"). Please refer to the announcement titled "Launch Of Equity Fund Raising To Raise Gross Proceeds Of Up To Approximately S$150.0 Million" dated 17 June 2019 (the "**EFR Launch Announcement**") for further details on the Equity Fund Raising.

As announced by the ESR-REIT Manager on 26 June 2019, approximately 194.2 million New Units were issued under the Private Placement at an issue price of S$0.515 per New Unit, to raise gross proceeds of approximately S$100.0 million. Please refer to the EFR Launch Announcement, the announcement titled "Results Of The Private Placement And Pricing Of New Units Under The Private Placement" dated 18 June 2019 (the "**Results of Private Placement Announcement**") as well as paragraph 2.3 of this Circular for further details on the Private Placement.

As stated in the EFR Launch Announcement and the Results of Private Placement Announcement, the ESR-REIT Manager has no intention of raising aggregate gross proceeds from the Equity Fund Raising in excess of approximately S$150.0 million. As gross proceeds of approximately S$100.0 million have been raised from the Private Placement, the gross proceeds from the Preferential Offering will accordingly be not more than approximately S$50.0 million.

To demonstrate its support for ESR-REIT and the Equity Fund Raising, ESR Cayman Limited (the "**Sponsor**") has provided an undertaking to the ESR-REIT Manager (the "**Sponsor Undertaking**") that it will (a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the Whitewash Resolution (as defined below in this paragraph 2.1)) apply, or procure the application, for such number of excess New Units, to the extent they remain unsubscribed after satisfaction of all applications (if any) for excess New Units by ESR-REIT Unitholders (other than the Sponsor) (the "**Sponsor Excess Application**"), provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

The reason for the Whitewash Resolution is that pursuant to the Sponsor Undertaking, the Sponsor and parties acting in concert or presumed to be acting in concert with it in relation to ESR-REIT (the "**Concert Parties Group**") may possibly end up acquiring additional ESR-REIT Units in excess of the threshold pursuant to Rule 14.1(b) of the Singapore Code on Take-overs and Mergers (the "**Take-over Code**"), in which event, except with the SIC's consent, the Sponsor must, and each of the principal members of the Concert Parties Group may, according to the circumstances of the case, have the obligation to, extend offers immediately, on the basis set out in Rule 14 of the Take-over Code, to the ESR-REIT Unitholders ("**Mandatory Offer**"). Please see paragraph 2.9 of this Circular for further details on Rule 14 of the Take-over Code.

The ESR-REIT Manager proposes to seek approval from ESR-REIT Unitholders who are considered independent for the purposes of the Whitewash Resolution ("**Independent ESR-REIT Unitholders (Whitewash)**") for a waiver of their right to receive a Mandatory Offer from the Concert Parties Group for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired by the Concert Parties Group pursuant to Rule 14 of the Take-over Code ("**Whitewash Resolution**"), in the event that the Concert Parties Group incurs an obligation to make a Mandatory Offer as a result of the Sponsor (a) accepting, or procuring the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) undertaking the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

This Circular sets out details of, and other relevant information in relation to, amongst others, the Preferential Offering and the Whitewash Resolution, for the purposes of seeking the approval of Independent ESR-REIT Unitholders (Whitewash) for the Whitewash Resolution.

As stated in the EFR Launch Announcement, the ESR-REIT Manager intends to utilise the net proceeds of the Equity Fund Raising in the following manner:

(i) to fully fund the Total Acquisition Costs (as defined below in this paragraph 2.1(i))

On 17 June 2019, the ESR-REIT Manager announced that the ESR-REIT Trustee and Poh Tiong Choon Logistics Limited ("**PTC**") had entered into a joint venture through the formation of PTC Logistics Hub LLP (the "**JV LLP**"), a limited liability partnership registered in Singapore. ESR-REIT and PTC have each made an initial capital contribution to the JV LLP of S$1.00 in cash. ESR-REIT currently holds 49.0% of the partnership interests in the JV LLP and PTC holds the remaining 51.0% of the partnership interests in the JV LLP.

Further to the joint venture, the JV LLP had on 17 June 2019 entered into a put and call option agreement (the "**Option Agreement**") with PTC to acquire the leasehold interest over a property situated at 48 Pandan Road, Singapore 609289 (the "**Property**", and the proposed acquisition of the Property, the "**Proposed Acquisition**"). The purchase consideration for the Property under the Proposed Acquisition is S$225.0 million, which is expected to be funded through a S$40.2 million contribution by PTC, a S$38.6 million contribution by the ESR-REIT Trustee, and debt of approximately S$146.2 million to be taken out by the JV LLP. In connection with the Proposed Acquisition, the total acquisition costs attributable to ESR-REIT (the "**Total Acquisition Costs**") are approximately S$44.4 million, comprising:

(A) ESR-REIT's equity share of the purchase consideration for the Property, which is expected to be S$38.6 million;

(B) ESR-REIT's share of the stamp duty payable for the Property of approximately S$3.3 million;

(C) ESR-REIT's share of the debt-related transaction costs of approximately S$0.6 million; and

(D) other transaction costs (including acquisition fees, professional fees and other transaction fees and expenses incurred or to be incurred in connection with the Proposed Acquisition) of approximately S$1.9 million in aggregate.

Please refer to the announcement titled "Entry Into Joint Venture And Acquisition Of 48 Pandan Road, Singapore 609289" dated 17 June 2019 in relation to the Proposed Acquisition (the "**Proposed Acquisition Announcement**") for further details on the Proposed Acquisition;

(ii) to fully fund the Proposed Asset Enhancement Initiatives (as defined below in this paragraph 2.1(ii))

On 17 June 2019, the ESR-REIT Manager also announced that ESR-REIT intends to conduct asset enhancement initiatives on two existing assets in its portfolio, namely 7000 AMK and UE BizHub EAST (the "**Proposed Asset Enhancement Initiatives**"). Please refer to the press release titled "ESR-REIT's AEI Plans for 2 Existing Properties Positioned to Attract High Value Tenants" dated 17 June 2019 in relation to the Proposed Asset Enhancement Initiatives (the "**Proposed AEI Announcement**") for further details on the Proposed Asset Enhancement Initiatives; and

(iii) for the repayment of existing indebtedness of ESR-REIT (the "**Debt Repayment**" and, together with the Proposed Acquisition and the Proposed Asset Enhancement Initiatives, the "**Proposed Transactions**").

The Proposed Acquisition was completed on 7 August 2019. Please refer to the announcement titled "Completion Of Acquisition Of 48 Pandan Road, Singapore 609289 And Use Of Proceeds From The Private Placement" dated 7 August 2019 (the "**Completion of Acquisition Announcement**") for further details. Following the completion of the Proposed Acquisition, the JV LLP has entered into a lease agreement with PTC to lease the Property to PTC for a term of ten years, with fixed rental escalation per annum (the "**Leaseback**").

As at the Latest Practicable Date, out of the gross proceeds of approximately S$100.0 million from the Private Placement, approximately S$72.6 million (which is equivalent to approximately 72.6% of the gross proceeds of the Private Placement) has been materially disbursed. Please refer to paragraph 2.7 of this Circular and the Completion of Acquisition Announcement for further details.

The ESR-REIT Manager has relied and will be relying on the general mandate given by the ESR-REIT Unitholders at the most recent annual general meeting of ESR-REIT held on 24 April 2019 for the issue of the New Units pursuant to the Private Placement and the Preferential Offering, respectively. Therefore, the ESR-REIT Manager does not intend to seek the specific approval of ESR-REIT Unitholders for the issue of the New Units pursuant to the Equity Fund Raising.

**For the avoidance of doubt, the approval of ESR-REIT Unitholders is being sought in respect of the Whitewash Resolution only. No approval of ESR-REIT Unitholders is sought in respect of the Proposed Acquisition, the Proposed Asset Enhancement Initiatives and/or the Equity Fund Raising.**

## 2.2 The Financial Effects of the Proposed Transactions

The Proposed Acquisition is regarded as being in the ordinary course of business and ESR-REIT is thus not required to disclose the illustrative financial effects of the Proposed Acquisition as prescribed in Chapter 10 of the Listing Manual.

However, the *pro forma* financial effects of the Proposed Transactions, using the latest announced unaudited financial statements of ESR-REIT for 2Q2019 and 1H2019 and based on the guidelines in Chapter 10 of the Listing Manual, are set out in the illustrative examples below for the reference and ease of comparison of ESR-REIT Unitholders.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The *pro forma* financial effects of the Proposed Transactions on the DPU and the NAV per ESR-REIT Unit and the capitalisation of ESR-REIT presented below are strictly for illustrative purposes only and have been prepared based on the latest announced unaudited financial statements of ESR-REIT for 2Q2019 and 1H2019, assuming the following:

(a) the issuance of approximately 88.1 million New Units at an illustrative issue price of S$0.515 per New Unit in connection with the Equity Fund Raising to raise net proceeds of approximately S$44.4 million to fully finance the Proposed Acquisition;

(b) the issuance of approximately 90.6 million New Units at an illustrative issue price of S$0.515 per New Unit in connection with the Equity Fund Raising to raise net proceeds of approximately S$45.7 million to fully finance the Proposed Asset Enhancement Initiatives; and

(c) the issuance of approximately 112.6 million New Units at an illustrative issue price of S$0.515 per New Unit in connection with the Equity Fund Raising to raise net proceeds of approximately S$56.8 million for the Debt Repayment.

### 2.2.1 *Pro Forma* NAV

**FOR ILLUSTRATIVE PURPOSES ONLY:** The *pro forma* financial effects of the Proposed Transactions on the NAV per ESR-REIT Unit as at 30 June 2019, as if the Proposed Transactions and the issuance of New Units pursuant to the Preferential Offering were completed on 30 June 2019, are as follows:

| | Before the Proposed Transactions[(1)] | After the Proposed Acquisition | After the Proposed Acquisition and the Proposed AEIs | After the Proposed Transactions[(2)] |
|---|---|---|---|---|
| Net assets attributable to ESR-REIT Unitholders (S$'000) | 1,545,673[(3)] | 1,543,771[(3)(4)] | 1,543,771[(3)(4)] | 1,592,771[(3)(4)] |
| Number of Units ('000) | 3,379,353 | 3,379,353 | 3,379,353 | 3,476,441 |
| NAV per ESR-REIT Unit (cents) | 45.7 | 45.7 | 45.7 | 45.8 |

**Notes:**

(1) Includes gross proceeds of approximately S$100.0 million raised from the Private Placement, pursuant to which 194,174,000 New Units were issued at an issue price of S$0.515 per New Unit on 26 June 2019.

(2) Assumes that gross proceeds of approximately S$50.0 million are raised from the Preferential Offering based on an illustrative issue price of S$0.515 per New Unit.

(3) Includes the advanced distribution for the period from 1 April 2019 to 25 June 2019 of S$30.1 million payable to ESR-REIT Unitholders as at 30 June 2019.

(4) After payment of approximately S$1.9 million of other transaction costs directly attributable to the Proposed Acquisition.

### 2.2.2 *Pro Forma* DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:** The *pro forma* financial effects of the Proposed Transactions on ESR-REIT's DPU annualised based on the DPU for 1H2019, as if the Proposed Transactions and the issuance of New Units pursuant to the Equity Fund Raising were completed on 1 January 2019, and ESR-REIT had held the Property through the JV LLP throughout the financial period and the lease in relation to the Proposed AEIs had generated rental income throughout the financial period[1], are as follows:

| | Before the Proposed Transactions | | After the Proposed Acquisition | After the Proposed Acquisition and the Proposed AEIs | After the Proposed Transactions |
|---|---|---|---|---|---|
| | 1H2019 | Annualised 1H2019 | | | |
| Distribution (S$'000) | 64,039[(1)] | 128,078[(2)] | 132,146[(3)] | 136,307[(3)(4)] | 138,280[(3)(4)(5)] |
| Applicable Number of Units ('000) | 3,184,436 | 3,184,436 | 3,272,493 | 3,363,111 | 3,475,698 |
| DPU (cents) | 2.011 | 4.022 | 4.038 | 4.053 | 3.978 |

**Notes:**

(1) Includes other gains of S$5.9 million representing partial pay-out of (a) ex-gratia payments received from the Singapore Land Authority in connection with the compulsory acquisitions of land in prior years; and (b) gains from disposal of investment properties in prior years.

---

1 In relation to the new building to be constructed at 7000 AMK as part of the Proposed Asset Enhancement Initiatives which are expected to provide an estimated yield on cost of up to 9.0%. Please refer to the Proposed AEI Announcement for further details.

(2) Based on the annualised distribution of ESR-REIT for 1H2019.

(3) Includes the additional net income from the Property held through the JV LLP but does not include the fixed annual rental escalations under the Leaseback.

(4) Includes the net income from the lease in relation to the Proposed AEIs.

(5) Includes the interest cost savings from the Debt Repayment.

### 2.2.3 *Pro Forma* Capitalisation

**FOR ILLUSTRATIVE PURPOSES ONLY:** The *pro forma* financial effects of the Proposed Transactions on the capitalisation of ESR-REIT as at 30 June 2019, as if the Proposed Transactions and the issuance of New Units pursuant to the Preferential Offering were completed on 30 June 2019, are as follows:

| | **Before the Proposed Transactions[1]** | **After the Proposed Acquisition[2]** | **After the Proposed Acquisition and the Proposed AEIs[3]** | **After the Proposed Transactions[4]** |
|---|---|---|---|---|
| Gross Debt (S$'000) | 1,193,569 | 1,316,384[5] | 1,362,119[5] | 1,313,119[5] |
| Total Deposited Property (S$'000)[6][7] | 3,060,480 | 3,180,747[8][9] | 3,235,416[8][9] | 3,235,416[8][9] |
| Aggregate Leverage (%) | 39.0 | 41.4[10] | 42.1[10] | 40.6[10] |

**Notes:**

(1) Includes the utilisation of the gross proceeds of approximately S$100.0 million from the Private Placement (which was completed on 26 June 2019) to repay outstanding borrowings, pending the deployment of such proceeds to fund the Proposed Acquisition and the Proposed AEIs.

(2) Includes the drawdown of borrowings to fund the Proposed Acquisition. Pending the deployment of the gross proceeds of approximately S$100.0 million from the Private Placement to fund the Proposed Acquisition and the Proposed AEIs, such proceeds had been utilised to repay outstanding borrowings. Please refer to footnote (1).

(3) Includes the drawdown of borrowings to fund the Proposed AEIs. Pending the deployment of the gross proceeds of approximately S$100.0 million from the Private Placement to fund the Proposed Acquisition and the Proposed AEIs, such proceeds had been utilised to repay outstanding borrowings. Please refer to footnote (1).

(4) Assumes that gross proceeds of approximately S$50.0 million are raised from the Preferential Offering based on an illustrative issue price of S$0.515 per New Unit, and that approximately S$56.8 million of the net proceeds from the Equity Fund Raising are utilised for the Debt Repayment.

(5) Includes ESR-REIT's proportionate share of the borrowings and lease liabilities of the JV LLP.

(6) Includes the valuation of 7000 AMK on a 100.0% basis of which ESR-REIT has 80.0% economic interest.

(7) Excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 *Leases* which became effective on 1 January 2019 where such effects relate to operating leases that were entered into in the ordinary course of ESR-REIT's business and were in effect before 1 January 2019.

(8) After payment of approximately S$1.9 million of other transaction costs directly attributable to the Proposed Acquisition.

(9) Includes ESR-REIT's proportionate share of the total assets of the JV LLP.

(10) In accordance with the Property Funds Appendix, ESR-REIT's proportionate share of the borrowings, lease liabilities and total assets of the JV LLP are included when computing aggregate leverage.

2.3 **Details of the Private Placement**

As stated in the EFR Launch Announcement, on 17 June 2019, the ESR-REIT Manager entered into a placement agreement (the "**Placement Agreement**") with Citigroup Global Markets Singapore Pte. Ltd. and RHB Securities Singapore Pte. Ltd. (the "**Joint Global Co-ordinators and Bookrunners**"), pursuant to which the Joint Global Co-ordinators and Bookrunners severally agreed to manage the Private Placement and to procure subscriptions and payment for, and failing which to subscribe and pay for, the New Units under the Private Placement in their respective proportions at the issue price per New Unit under the Private Placement to be determined on the terms and subject to the conditions of the Placement Agreement.

As stated in the Results of Private Placement Announcement, on 18 June 2019, the Joint Global Co-ordinators and Bookrunners, in consultation with the ESR-REIT Manager, closed the book of orders for the Private Placement.

The issue price per New Unit under the Private Placement was fixed at S$0.515 per New Unit (the "**Private Placement Issue Price**"), as agreed between the ESR-REIT Manager and the Joint Global Co-ordinators and Bookrunners following a book-building process.

As stated in paragraph 2.1 of this Circular, approximately 194.2 million New Units were issued under the Private Placement, to raise gross proceeds of approximately S$100.0 million.

Please refer to the EFR Launch Announcement, the Results of Private Placement Announcement as well as the announcements titled "Notice Of Books Closure Date" dated 17 June 2019, "Receipt Of In-Principle Approval For Listing Of 194,174,000 New Units Pursuant To The Private Placement" dated 21 June 2019 and "Issue Of 194,174,000 New Units Pursuant To The Private Placement" dated 26 June 2019, for further details on the Private Placement.

2.4 **Details of the Preferential Offering**

The ESR-REIT Manager proposes to issue New Units to raise gross proceeds of not more than approximately S$50.0 million pursuant to the Preferential Offering. The structure of and time schedule for the Preferential Offering and the issue price of New Units under the Preferential Offering ("**Preferential Offering Issue Price**") have not been determined.

ESR-REIT Unitholders should note that the New Units offered under the Preferential Offering (if undertaken by the ESR-REIT Manager) will be on a non-renounceable basis. The ARE[2] will not be renounceable or transferable and will be for use only by entitled ESR-REIT Unitholders.

RHB Securities Singapore Pte. Ltd. has been appointed as the Sole Financial Adviser and Coordinator in relation to the Preferential Offering.

The ESR-REIT Manager will work with the Sole Financial Adviser and Coordinator to determine the structure of and time schedule for the Preferential Offering and the Preferential Offering Issue Price, after taking into account market conditions and other factors that the ESR-REIT Manager and the Sole Financial Adviser and Coordinator may consider relevant. The ESR-REIT Manager will announce the details of the Preferential Offering via SGXNET at the appropriate time.

---

2 "**ARE**" refers to the acceptance form for New Units provisionally allotted to entitled ESR-REIT Unitholders under the Preferential Offering and application form for excess New Units.

The actual number of New Units to be issued pursuant to the Preferential Offering will depend on the aggregate amount of proceeds to be raised from the Preferential Offering and the Preferential Offering Issue Price.

The structure of and time schedule for the Preferential Offering and the Preferential Offering Issue Price will be determined in accordance with, among others, Chapter 8 of the Listing Manual. The Preferential Offering Issue Price will comply with Rule 816(2)(a)(ii) of the Listing Manual, and will not be at more than 10.0% discount to the volume-weighted average price for trades done on the SGX-ST for the full market day on which the Preferential Offering is announced, or (if trading in the ESR-REIT Units is not available for a full market day) for the preceding market day up to the time the Preferential Offering is announced.

The Preferential Offering Issue Price may differ from the Private Placement Issue Price.

The unitholding interests of existing ESR-REIT Unitholders may be diluted by the issue of New Units in the event that the ESR-REIT Manager issues New Units under the Preferential Offering and such existing ESR-REIT Unitholders do not participate or do not have the opportunity to participate in the Preferential Offering.

As mentioned in the EFR Launch Announcement as well as paragraph 2.1 of this Circular, to demonstrate its support for ESR-REIT and the Equity Fund Raising, the Sponsor on 9 July 2019 provided the Sponsor Undertaking to the ESR-REIT Manager to subscribe for New Units under the Preferential Offering. Please refer to paragraph 2.8 of this Circular for further details on the Sponsor Undertaking.

It is contemplated that the Preferential Offering will not be underwritten. Given the provision of the Sponsor Undertaking, the ESR-REIT Manager is of the view that there is no requirement for the Preferential Offering to be underwritten.

**The Preferential Offering is subject to, among others, prevailing market conditions.**

## 2.5 Rationale for the Equity Fund Raising

The ESR-REIT Manager intends to apply the net proceeds from the Equity Fund Raising towards the Proposed Acquisition, the Proposed Asset Enhancement Initiatives and the Debt Repayment, which will bring the following benefits to ESR-REIT Unitholders.

### (a) Benefits of the Proposed Acquisition and the Proposed Asset Enhancement Initiatives

*Strengthens ESR-REIT's Portfolio Exposure to the Logistics Sector*

The Property is a newly completed, modern ramp-up logistics warehouse located within the Pandan area at Jurong Industrial Estate. The Pandan location is considered to be a key logistics cluster of the Jurong Industrial Precinct given its immediate proximity to Jurong Port, International Business Park and Jurong Island. The addition of the Property enhances the quality of ESR-REIT's logistics portfolio to comprise four[3] in-demand and modern ramp-up logistics properties, representing 60.0% of ESR-REIT's logistics portfolio. Rental income from the logistics portfolio will also increase from 19.9%[4] to 22.4% following the Proposed Acquisition.

---

3 The four ramp-up properties comprise 3 Pioneer Sector 3, 6 Chin Bee Avenue, 15 Greenwich Drive and 48 Pandan Road.

4 Based on the unaudited financial statements of ESR-REIT for 2Q2019.

*Proposed Asset Enhancement Initiatives Expected to Unlock Portfolio Value and Attract High Value Tenants*

The Proposed Asset Enhancement Initiatives include utilising untapped plot ratio to develop a modern high-specification industrial facility on the site of 7000 AMK as part of the ESR-REIT Manager's strategy to unlock value in ESR-REIT's portfolio, and rejuvenation works at UE BizHub EAST to enhance its "work-live-play" factor to attract quality tenants in the Changi Business Park region. Both development works are estimated to cost approximately S$45.7 million and are expected to provide an estimated yield on cost of up to 9.0%.

Please refer to the Proposed Acquisition Announcement and the Proposed AEI Announcement for further details on the rationale for the Proposed Acquisition and the Proposed Asset Enhancement Initiatives, respectively.

(b) **Strengthen ESR-REIT's balance sheet and capital structure and enhance its financial flexibility**

ESR-REIT's aggregate leverage has decreased to 39.0%[5] after the Private Placement which was completed on 26 June 2019. Following the completion of the Preferential Offering and the Proposed Transactions, while taking into account the funding requirements of the Proposed Asset Enhancement Initiatives, which are expected to take approximately 12 to 24 months to complete, ESR-REIT's aggregate leverage is expected to be 40.6%[6]. The Proposed Asset Enhancement Initiatives are targeted to commence in the fourth quarter of 2019.

The deleveraging by way of the Equity Fund Raising is part of the ESR-REIT Manager's active capital management strategy for ESR-REIT, while the commitment by the Sponsor to subscribe for New Units under the Preferential Offering pursuant to the Sponsor Undertaking further demonstrates the Sponsor's support for ESR-REIT. The ESR-REIT Manager believes that this will provide ESR-REIT with greater financial capacity to capitalise on potential growth opportunities as and when they may arise. The ESR-REIT Manager will also continue to evaluate value-accretive opportunities while maintaining a well-balanced capital structure.

(c) **Potential increase in trading liquidity of the ESR-REIT Units**

The New Units to be issued pursuant to the Equity Fund Raising will increase the number of ESR-REIT Units in issue. This increase in the total number of ESR-REIT Units in issue and the enlarged ESR-REIT Unitholder base are expected to improve the trading liquidity of the ESR-REIT Units.

2.6 **SGX-ST Approval**

The ESR-REIT Manager has made a formal application to the SGX-ST for the listing and quotation of the New Units under the Preferential Offering on the Main Board of the SGX-ST. An announcement will be made upon the receipt of in-principle approval from the SGX-ST.

---

5 As at 30 June 2019.

6 On a *pro forma* basis as at 30 June 2019, assuming the Proposed Acquisition, the Proposed Asset Enhancement Initiatives and the Debt Repayment were completed on 30 June 2019 and gross proceeds of approximately S$50.0 million were obtained from the Preferential Offering.

2.7 **Use of Proceeds**

It was stated in the EFR Launch Announcement that, subject to relevant laws and regulations, on the basis that the ESR-REIT Manager will raise gross proceeds of approximately S$150.0 million from the Equity Fund Raising, the ESR-REIT Manager intends to use the gross proceeds in the following manner:

(a) approximately S$44.4 million (which is equivalent to approximately 29.6% of the gross proceeds of the Equity Fund Raising) to fully finance the Total Acquisition Costs;

(b) approximately S$45.7 million (which is equivalent to approximately 30.5% of the gross proceeds of the Equity Fund Raising) to fully finance the Proposed Asset Enhancement Initiatives;

(c) approximately S$56.8 million (which is equivalent to approximately 37.9% of the gross proceeds of the Equity Fund Raising) for the Debt Repayment; and

(d) approximately S$3.1 million (which is equivalent to approximately 2.0% of the gross proceeds of the Equity Fund Raising) to pay the transaction-related expenses including the estimated underwriting and selling commission and expenses related to the Equity Fund Raising.

It was further stated in the Results of Private Placement Announcement that based on the timing requirements for the funding of the Proposed Acquisition, Proposed Asset Enhancement Initiatives and Debt Repayment, subject to relevant laws and regulations, the ESR-REIT Manager intends to use the gross proceeds of approximately S$100.0 million from the Private Placement in the following manner:

(a) approximately S$44.4 million (which is equivalent to approximately 44.4% of the gross proceeds of the Private Placement) to fully finance the Total Acquisition Costs;

(b) approximately S$26.2 million (which is equivalent to approximately 26.2% of the gross proceeds of the Private Placement) to partially finance the Proposed Asset Enhancement Initiatives;

(c) approximately S$26.3 million (which is equivalent to approximately 26.3% of the gross proceeds of the Private Placement) to partially finance the Debt Repayment; and

(d) approximately S$3.1 million (which is equivalent to approximately 3.1% of the gross proceeds of the Private Placement) to pay the transaction-related expenses including the estimated underwriting and selling commission and expenses related to the Equity Fund Raising.

The Proposed Acquisition was completed on 7 August 2019. Please refer to the Completion of Acquisition Announcement for further details.

As at the Latest Practicable Date, out of the gross proceeds of approximately S$100.0 million from the Private Placement, approximately S$72.6 million (which is equivalent to approximately 72.6% of the gross proceeds of the Private Placement) has been used in the following manner:

(a) approximately S$44.4 million (which is equivalent to approximately 44.4% of the gross proceeds of the Private Placement) to fully finance the Total Acquisition Costs;

(b) approximately S$26.3 million (which is equivalent to approximately 26.3% of the gross proceeds of the Private Placement) to partially finance the Debt Repayment; and

(c) approximately S$1.9 million (which is equivalent to approximately 1.9% of the gross proceeds of the Private Placement) to pay for the transaction-related expenses including the estimated underwriting and selling commission and expenses related to the Equity Fund Raising.

Please refer to the Completion of Acquisition Announcement for further details.

For clarity, the ESR-REIT Manager will announce details of the utilisation of the balance of the gross proceeds from the Private Placement as well as the intended utilisation of the proceeds of the Preferential Offering at the appropriate time.

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Proposed Asset Enhancement Initiatives do not proceed for whatever reason, the ESR-REIT Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, for funding capital expenditures.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or to be used to repay outstanding borrowings or for any other purpose on a short-term basis as the ESR-REIT Manager may, in its absolute discretion, deem fit.

The ESR-REIT Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the ESR-REIT Manager will disclose a breakdown with specific details on the use of proceeds for working capital in ESR-REIT's announcements on the use of proceeds and in ESR-REIT's annual report and where there is any material deviation from the stated use of proceeds, the ESR-REIT Manager will announce the reasons for such deviation.

2.8 **Undertaking by the Sponsor**

As stated in the EFR Launch Announcement and paragraph 2.1 of this Circular, to demonstrate its support for ESR-REIT and the Equity Fund Raising, the Sponsor has provided an irrevocable undertaking to the ESR-REIT Manager that it will: (a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the Whitewash Resolution) undertake the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

The approval of Independent ESR-REIT Unitholders (Whitewash) is being sought for the Whitewash Resolution in connection with the transactions contemplated under the Sponsor Undertaking. Please refer to paragraph 2.9 of this Circular for further details.

2.9 **Rule 14 of the Take-over Code**

The ESR-REIT Manager proposes to seek approval from Independent ESR-REIT Unitholders (Whitewash) for a waiver of their right to receive a Mandatory Offer from the Concert Parties Group for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired by the Concert Parties Group pursuant to Rule 14 of the Take-over Code, in the event that any member of the Concert Parties Group incurs an obligation to make a Mandatory Offer as a result of the Sponsor (a) accepting, or procuring the acceptance, in full of the provisional allocation of New Units under the Preferential Offering

based on its entitlement; and (b) (subject to approval of the Whitewash Resolution) undertaking the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

In such an event, the Concert Parties Group may possibly end up acquiring additional ESR-REIT Units in excess of the threshold pursuant to Rule 14.1(b) of the Take-over Code. Pursuant to Rule 14.1(b) of the Take-over Code, except with the SIC's consent, where any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional ESR-REIT Units carrying more than 1.0% of the voting rights, such person must extend offers immediately, on the basis set out in Rule 14 of the Take-over Code, to the ESR-REIT Unitholders. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

To the best of the knowledge of the ESR-REIT Manager and the Sponsor, the Concert Parties Group holds, in aggregate, 1,493,449,931 ESR-REIT Units representing 44.2% of the voting rights of ESR-REIT as at the Latest Practicable Date. As at the Latest Practicable Date, the Concert Parties Group does not hold any instruments convertible into, rights to subscribe for and options in respect of ESR-REIT Units.

In the event that the ESR-REIT Manager raises gross proceeds of approximately S$50.0 million pursuant to the Preferential Offering, and the Sponsor accepts, or procures the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement, and is allotted excess New Units, the Sponsor's percentage unitholding following the Preferential Offering may increase by more than 1.0%. Accordingly, the Concert Parties Group's percentage unitholding following the Preferential Offering may also increase by more than 1.0%, such that the threshold pursuant to Rule 14.1(b) of the Take-over Code is exceeded. This will trigger the obligation to make a Mandatory Offer for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired by the Concert Parties Group pursuant to Rule 14 of the Take-over Code.

The exact percentage increase following the Preferential Offering would depend on the overall level of acceptances and excess applications by ESR-REIT Unitholders for the provisional allocation of New Units and excess New Units (as the case may be) under the Preferential Offering, as in compliance with Rule 877(10) of the Listing Manual, the Sponsor, amongst others, will rank last in the allocation of excess unit applications.

For illustrative purposes, the following table sets out the respective unitholdings of the Concert Parties Group, assuming that:

(a) the Equity Fund Raising comprises a Preferential Offering, where approximately 97.1 million New Units are issued pursuant to the Preferential Offering at an illustrative Preferential Offering Issue Price of S$0.515 per New Unit to raise gross proceeds of approximately S$50.0 million;

(b) the Sponsor accepts, or procures the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement, and is allotted such number of excess New Units such that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million;

(c) the members of the Concert Parties Group (other than the Sponsor) accept, in full, the provisional allocation of New Units under the Preferential Offering based on their respective entitlements; and

(d) persons who do not belong to the Concert Parties Group do not participate in the Preferential Offering.

| | As at the Latest Practicable Date | | | |
|---|---|---|---|---|
| | Before the Preferential Offering | | After the Preferential Offering | |
| | No. of ESR-REIT Units | % | No. of ESR-REIT Units | % |
| Issued ESR-REIT Units | 3,379,353,443 | 100.0% | 3,476,440,821 | 100.0% |
| Tong Jinquan | 172,802,987 | 5.1% | 177,767,543 | 5.1% |
| Leading Wealth Global Inc | 670,209,878 | 19.8% | 689,464,721 | 19.8% |
| Wealthy Fountain Holdings Inc | 190,924,226 | 5.6% | 196,409,397 | 5.6% |
| Skyline Horizon Consortium Ltd | 13,172,094 | 0.4% | 13,550,523 | 0.4% |
| Tong Yu Lou | 29,138,200 | 0.9% | 29,975,328 | 0.9% |
| The Sponsor[7] | 268,088,276 | 7.9% | 330,044,729 | 9.5% |
| The ESR-REIT Manager | 31,326,963 | 0.9% | 32,226,973 | 0.9% |
| Ho Lee Group | 88,807,378 | 2.6% | 91,358,776 | 2.6% |
| Mitsui and Co., Ltd. | 26,432,353 | 0.8% | 27,191,743 | 0.8% |
| **Concert Parties Group** | **1,490,902,355** | **44.1%** | **1,587,989,733** | **45.7%** |
| Other minority ESR-REIT Unitholders | 1,888,451,088 | 55.9% | 1,888,451,088 | 54.3% |

2.10 **Application for Waiver from Rule 14 of the Take-over Code**

An application was made to the SIC on 31 May 2019 (and updated on 21 June 2019) for the waiver of the obligation of the Concert Parties Group to make a Mandatory Offer under Rule 14 of the Take-over Code should the obligation to do so arise as a result of the Preferential Offering and the Sponsor Undertaking.

On 15 July 2019, the SIC granted a waiver of the obligation of the Concert Parties Group to make a Mandatory Offer under Rule 14 of the Take-over Code (the "**SIC Waiver**") subject to, among others, the satisfaction of the following conditions (the "**SIC Conditions**"):

(a) a majority of holders of voting rights of ESR-REIT approve at a general meeting, before the Preferential Offering, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Concert Parties Group;

(b) the Whitewash Resolution is separate from other resolutions;

(c) the Concert Parties Group abstain from voting on the Whitewash Resolution;

7 ESR-REIT Units are held by e-Shang Infinity Cayman Limited, a 100% indirect subsidiary of the Sponsor.

(d) the Concert Parties Group did not acquire or are not to acquire any ESR-REIT Units or instruments convertible into and options in respect of ESR-REIT Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new ESR-REIT Units which have been disclosed in this Circular):

(i) during the period between the date of the first announcement of the Equity Fund Raising (i.e. 17 June 2019) and the date ESR-REIT Unitholders' approval is obtained for the Whitewash Resolution; and

(ii) in the six (6) months prior to the date of the announcement of the Equity Fund Raising (i.e. 17 June 2019), but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to such proposal;

(e) ESR-REIT appoints an independent financial adviser to advise the Independent ESR-REIT Unitholders (Whitewash) on the Whitewash Resolution;

(f) ESR-REIT sets out clearly in this Circular:

(i) details of the Preferential Offering, including the Sponsor Undertaking and Sponsor Excess Application;

(ii) the dilution effect of the issue of the ESR-REIT Units to existing holders of voting rights;

(iii) the number and percentage of voting rights in ESR-REIT as well as the number of instruments convertible into, rights to subscribe for and options in respect of ESR-REIT Units held by the Concert Parties Group as at the Latest Practicable Date;

(iv) the number and percentage of voting rights to be acquired by the Concert Parties Group upon the acquisition of ESR-REIT Units by the Sponsor pursuant to the Sponsor Undertaking and the Sponsor Excess Application; and

(v) specific and prominent reference to the fact that ESR-REIT Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Concert Parties Group at the highest price paid by the Concert Parties Group for ESR-REIT Units in the past six (6) months preceding the commencement of the Mandatory Offer;

(g) this Circular states that the SIC Waiver is subject to the SIC Conditions stated in paragraphs 2.10(a) to 2.10(f);

(h) ESR-REIT obtains the SIC's approval in advance for those parts of this Circular that refer to the Whitewash Resolution; and

(i) to rely on the Whitewash Resolution, the acquisition of New Units by the Sponsor pursuant to the Sponsor Undertaking and the Sponsor Excess Application must be completed within three (3) months of the approval of the Whitewash Resolution.

The ESR-REIT Manager understands that the Concert Parties Group does not intend to, or wish to be subject to the obligation to, make a Mandatory Offer for ESR-REIT as a result of the Preferential Offering. As such, in accordance with the SIC Condition set out in paragraph 2.10(a), ESR-REIT will be seeking the approval of the Independent ESR-REIT Unitholders (Whitewash) on the Whitewash Resolution at the EGM.

As at the Latest Practicable Date, save for the SIC Conditions in paragraphs 2.10(a), 2.10(c) and 2.10(i), all the SIC Conditions have been satisfied.

**Independent ESR-REIT Unitholders (Whitewash) should note that by voting for the Whitewash Resolution, they are waiving their rights to receive a Mandatory Offer from the Concert Parties Group at the highest price paid by the Concert Parties Group for ESR-REIT Units in the six (6) months preceding the commencement of the Mandatory Offer.**

2.11 **Rationale for the Whitewash Resolution**

The Whitewash Resolution is to enable the Sponsor to (a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the Whitewash Resolution) undertake the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

The ESR-REIT Manager is of the view that the Sponsor should not be treated differently from any other ESR-REIT Unitholder and should be given the opportunity to apply for excess New Units. In addition, the application by the Sponsor for excess New Units will further demonstrate the Sponsor's support for and confidence in the Preferential Offering (and the proposed use of proceeds) and its long-term commitment to ESR-REIT, as well as align the interests of the Sponsor with those of other ESR-REIT Unitholders, thereby enhancing the chances of a successful Preferential Offering.

The ESR-REIT Manager wishes to highlight that in the allotment of excess New Units under the Preferential Offering, preference will be given to the rounding of odd lots, followed by allotment to the ESR-REIT Unitholders who are neither Directors nor Substantial ESR-REIT Unitholders who have control or influence over ESR-REIT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of Directors. The Sponsor, the Sponsor's wholly-owned subsidiaries, the Directors and other Substantial ESR-REIT Unitholders who have control or influence over ESR-REIT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority.

2.12 **Advice of the Independent Financial Adviser**

The ESR-REIT Manager has appointed KPMG Corporate Finance Pte Ltd as the independent financial adviser to advise the Relevant Independent Directors (Whitewash) and the ESR-REIT Trustee, in relation to the Whitewash Resolution. A copy of the IFA Letter (Whitewash) is set out in Appendix A to this Circular and ESR-REIT Unitholders are advised to read the IFA Letter (Whitewash) carefully.

Having considered the factors and made the assumptions set out in the IFA Letter (Whitewash), and subject to the qualifications set out therein, the IFA is of the view that the terms of the Preferential Offering, being the subject of the Whitewash Resolution, are fair and reasonable.

## 3. THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT AND AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE DEVELOPMENT MANAGEMENT FEE

### 3.1 The Proposed Development Management Fee Supplement

The ESR-REIT Manager proposes to supplement the ESR-REIT Trust Deed ("**Proposed Development Management Fee Supplement**") by introducing a development management fee ("**Development Management Fee**") payable to the ESR-REIT Manager for the purpose of facilitating the undertaking of Development Projects by the ESR-REIT Manager on behalf of ESR-REIT.

The Development Management Fee shall be an amount equivalent to 3.0% of the Total Project Costs (as defined below in this paragraph 3.1) incurred in a Development Project undertaken by the ESR-REIT Manager on behalf of ESR-REIT, subject to the following:

(a) when the estimated Total Project Costs are greater than S$100.0 million, the ESR-REIT Trustee and the ESR-REIT Manager's independent directors will first review and approve the quantum of the Development Management Fee payable to the ESR-REIT Manager, and the ESR-REIT Manager may be directed by its independent directors to reduce the Development Management Fee;

(b) in cases where the ESR-REIT Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, the ESR-REIT Manager's independent directors shall have the discretion to direct the ESR-REIT Manager to reduce the Development Management Fee to such amount which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the ESR-REIT Manager on behalf of ESR-REIT; and

(c) any increase in the percentage of the Development Management Fee or any change in the structure of the Development Management Fee shall be approved by an Extraordinary Resolution.

For the purposes of calculating the Development Management Fee, "Total Project Costs" means the sum of the construction costs, land costs (including but not limited to the acquisition price, differential premium or development charge where applicable, but excluding the value of the land in the case of the redevelopment of existing properties), principal consultants' fees, costs of obtaining all approvals for the Development Project, site staff costs, interest costs and any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the Development Project in accordance with generally accepted accounting principles.

Subject to the Property Funds Appendix, the ESR-REIT Manager may opt to receive the Development Management Fee in the form of Cash or a combination of both Cash and ESR-REIT Units in such proportions as may be determined at the option of the ESR-REIT Manager. Where part of the Development Management Fee is to be received in the form of ESR-REIT Units, the ESR-REIT Manager shall be entitled to receive such number of ESR-REIT Units as may be purchased for the relevant amount of the Development Management Fee at the issue price equal to the Market Price[8] within 30 days after the last day of the calendar quarter in arrears.

---

8 For this purpose, "**Market Price**" means the volume weighted average traded price for an ESR-REIT Unit (if applicable, of the same Class) for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten 10 Business Days (as defined in the ESR-REIT Trust Deed) immediately preceding (and for the avoidance of doubt, including) the end of the relevant calendar quarter which such fees relate to, or if the ESR-REIT Manager believes that the foregoing calculation does not provide a fair reflection of the market price of an ESR-REIT Unit (which may include, without limitation, instances where the volume of trades in the ESR-REIT Units is very low or there is disorderly trading activity in the ESR-REIT Units), means an amount as determined by the ESR-REIT Manager (after consultation with a Stockbroker approved by the ESR-REIT Trustee) and as approved by the ESR-REIT Trustee, as being the fair market price of an ESR-REIT Unit.

The Development Management Fee shall be payable in equal monthly instalments over the construction period of each Development Project based on the ESR-REIT Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs is finalised.

**Where Real Estate or Real Estate Related Assets (as defined in the Amended and Restated Trust Deed) are purchased, invested in or acquired for development, no acquisition fee in relation to such purchase, investment or acquisition shall be paid to the ESR-REIT Manager. Instead, the ESR-REIT Manager will receive the Development Management Fee for the Development Project.**

**ESR-REIT Unitholders should note that the Property Funds Appendix limits the property development activities of REITs. Paragraph 7.1(d) of the Property Funds Appendix requires that the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of the REIT's deposited property except where, *inter alia*, the REIT has obtained the specific approval of participants at a general meeting for the redevelopment of the property.**

In undertaking any Development Project, the ESR-REIT Manager, as manager of the ESR-REIT, will comply with all requirements of the Property Funds Appendix relating to property development activities.

Details of the Proposed Development Management Fee Supplement can be found in Appendix B to this Circular.

3.2 **Responsibility of ESR-REIT Manager as Development Manager**

As development manager, the ESR-REIT Manager shall be responsible for providing development management services such as:

(a) sourcing for and conducting feasibility studies on development opportunities (including but not limited to asset positioning, analysis of financial and non-financial returns), coordinating with consultants to conceptualise and plan the workspace layout and performing technical due diligence;

(b) overall responsibility for the planning, control and monitoring of the progress of the Development Project from conception to completion to ensure that the Development Project is completed within the stipulated time and budget and to the stipulated quality;

(c) working closely with and overseeing the appointed project manager[9], architect and consultants to carry out relevant value engineering to ensure a cost-efficient building that can be delivered on schedule;

(d) reporting to the ESR-REIT Trustee on a regular basis, in particular, on the cost and progress of the Development Project;

(e) representing the ESR-REIT Trustee in all site meetings during the construction period, and to advise on any variation works and (where applicable) make appropriate recommendations to the ESR-REIT Trustee for consideration;

---

9 The role of the project manager is distinct from that of the development manager and includes the preparation of tender documents, evaluating tender submissions, programme management and scheduling, contract administration and regular reporting of cost, time, quality and project concerns to the development manager.

(f) establishing prospective tenants' real estate requirements, making site selection, and negotiating with government authorities on land allocation and conditions;

(g) providing value-added inputs on the concept and schematic plans by engaging the ESR-REIT Trustee's service providers, namely property managers and marketers, and involving the ESR-REIT Manager's asset managers to ensure an efficient, functional and marketable end product beneficial to ESR-REIT Unitholders in the long-term;

(h) negotiating and liaising with prospective tenants for acceptance of concept and schematic plans, building specifications and rental terms;

(i) establishing and ensuring agreement with prospective tenants on the overall milestones for the delivery of the Development Project; and

(j) finalising with prospective tenants the architectural schematic plans/specifications for use as the basis for calling of tender(s).

In addition, the ESR-REIT Manager may appoint one or more service providers to perform works or services in connection with the Development Project, provided that the ESR-REIT Manager remains responsible for the management and supervision of such service provider(s), and the ESR-REIT Manager shall be entitled to the full Development Management Fee notwithstanding the appointment of such service provider(s).

3.3 **Rationale for the Proposed Development Management Fee Supplement**

The ESR-REIT Manager's key objective is to invest in a diverse portfolio of properties to achieve an attractive level of return from rental income and long-term capital growth in order to deliver stable returns for ESR-REIT Unitholders. The ESR-REIT Manager plans to achieve its objective by focusing on a three-pronged approach that leverages on synergies with ESR-REIT's strong Developer-Sponsor, the ESR group, while developing a diversified and resilient property and tenant network across the Asia-Pacific: (1) achieving active acquisition and development growth, (2) achieving organic growth, and (3) exercising prudent capital management. In this connection, the ESR-REIT Manager may undertake Development Projects, including but not limited to asset enhancement initiatives, build-to-suit and redevelopment projects.

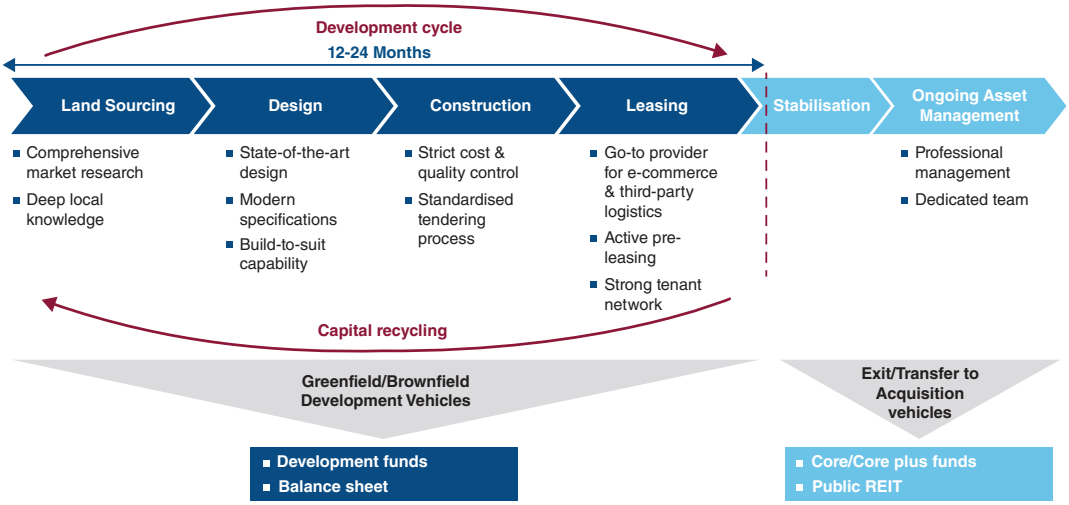
(a) **Potential opportunities to participate in Development Projects with third parties, with the Sponsor or through the Sponsor's network**

The ESR-REIT Manager believes that the acquisition of strategic assets with long-term growth prospects through Development Projects is favourable to ESR-REIT Unitholders as Development Projects can potentially provide greater returns compared to outright acquisitions of income-producing properties and thus may improve the net asset value of ESR-REIT's portfolio and enhance distributions to ESR-REIT Unitholders.

The Sponsor is an established logistics real estate developer, with assets spanning across the People's Republic of China, Japan, Singapore, South Korea, Australia and India targeting strategic locations near key logistics hubs such as major seaports, airports, transportation hubs and industrial zones. The Sponsor develops logistics properties on its balance sheet and through the funds and investment vehicles it manages. It has established efficient, high-quality and scalable ground-up (greenfield) and re-development (brownfield) logistics facilities development capabilities in each country where it operates, with its extensive in-house expertise from selection and acquisition of sites to the design, construction and leasing of modern logistics

facilities. These facilities are characterised by large floor plates, high ceilings, wide column spacing, spacious and modern loading docks as well as enhanced safety systems and other value-added features. The Sponsor conducts feasibility studies, master planning, project design, project cost analysis and project management for each of its logistics properties, and contracts with and supervises third-party construction companies to construct the logistics facilities.

The Sponsor has expertise throughout the development cycle and actively sources greenfield and brownfield opportunities across the Asia-Pacific region to design and construct modern logistics properties that meet the evolving needs of tenants.




The Sponsor has undertaken numerous development projects such as the recent development of a distribution centre in Fujidera, Osaka, Japan with a GFA of approximately 178,000 square metres and a logistics facility located at Wuxi, Shanghai, People's Republic of China with a GFA of approximately 97,400 square metres. As of 31 December 2018, the GFA of properties completed and under development as well as the GFA to be built on land held by the Sponsor for future development stood at over 12 million square metres in total.

Given the Sponsor's expertise in development management, the ESR-REIT Manager may explore opportunities to participate in Development Projects, either through joint ventures with the Sponsor or individually by leveraging on the Sponsor's network.

(b) **Potential opportunities to undertake Development Projects within ESR-REIT portfolio**

The ESR-REIT Manager has in-house project and property development capabilities with a track record of managing Development Projects. These include the amalgamation of two sites at 86 & 88 International Road into a single development which allowed the ESR-REIT Manager to optimise existing plot ratio to gain additional GFA. The ESR-REIT Manager also developed a four-storey ramp-up industrial warehouse at 3 Pioneer Sector 3 and connected it to an existing industrial building on the site, allowing units on each level to share a common loading area and transforming the entire development into a highly accessible project. 70 Seletar Aerospace View was developed as a build-to-suit industrial building with a hangar and ancillary office catering to companies in the general industrial sector.

The ESR-REIT Manager's management team has identified certain assets in ESR-REIT's existing portfolio for potential Development Project opportunities, which

will focus on two key areas: repositioning appropriate properties in order to meet the needs of industrialists of today and in the future, and maximising the plot ratios to the best and highest use. As part of ESR-REIT's active asset management strategy, the ESR-REIT Manager has identified a number of assets in the portfolio with plot ratios that can be increased to generate additional leasable area so as to enhance rental yield and capital value, such as 7000 AMK and the property at 3 Tuas South Avenue 4. Further announcements on Development Projects will be made to update ESR-REIT Unitholders at the appropriate time.

The development cost of a property is usually lower than an outright acquisition due to the absence of developer's profit which is payable to the developer as part of the purchase price in an outright acquisition. Hence, Development Projects may allow ESR-REIT to benefit from a larger unrealised valuation gain (assuming there is an uplift of valuation in the property after development) than an outright acquisition. In turn, this may result in an uplift in the price of ESR-REIT Units as a consequence of an increase in ESR-REIT's NAV. Furthermore, the gross yield on construction cost is likely to be higher than the gross yield on valuation amount (assuming that the price paid to a developer for an acquisition of properties at completion is the valuation amount), which could potentially result in increased distributions to ESR-REIT Unitholders.

Further, the process of property development generally is more complex and time consuming as opposed to outright acquisitions of completed income-producing real estate as property development requires a longer "gestation" period and involves the management and supervision of significant construction activity. The "gestation" period (i.e. from the time taken between identification of development opportunities and the confirmation of a deal) may take up to a year and sometimes longer. From confirmation of a deal to the completion of the construction of the Development Project, the development management process typically takes 18 to 30 months depending on the size of the Development Project. In contrast, the time frame for outright acquisitions may be as short as three to four months from the initial inspection until the completion of the acquisition.

ESR-REIT Unitholders should note that in undertaking development activities, ESR-REIT will face risks commonly associated with such development activities. Such risks may include, amongst others, *force majeure* events, untimely or unsatisfactory quality of services rendered by independent third-party contractors, cost overruns, delays in construction, tenant risk in build-to-suit facilities, lack of or decreased rental demand after completion of construction and changes to government policies.

In addition, not all development opportunities may result in confirmed Development Projects. Any costs incurred during the period when the ESR-REIT Manager identifies a development opportunity to the time when confirmation of the Development Project is sought (i.e. the pre-construction phase) will be borne by the ESR-REIT Manager, if such confirmation of the Development Project is not subsequently obtained.

The ESR-REIT Manager believes that the Proposed Development Management Fee Supplement will provide the ESR-REIT Manager with an adequate amount of compensation and the incentive to seize opportunities as they arise that may enhance ESR-REIT's existing portfolio, and will be beneficial to ESR-REIT Unitholders as Development Projects can provide significant returns to supplement the income derived from other areas of ESR-REIT's business and thus also contribute to improving the net asset value of ESR-REIT.

In carrying out development activities on behalf of ESR-REIT, the ESR-REIT Manager will consider, among other things, the risks, as well as the overall benefits to ESR-REIT and ESR-REIT Unitholders.

3.4 **Application of the Development Management Fee**

Subject to approval by Independent ESR-REIT Unitholders (Development Management Fee) for the Proposed Development Management Fee Supplement, the Development Management Fee will be chargeable in respect of all future Development Projects undertaken by ESR-REIT managed by the ESR-REIT Manager.

3.5 **Advice of the Independent Financial Adviser**

The ESR-REIT Manager is considered an "interested party" of ESR-REIT for the purposes of the Property Funds Appendix and an "interested person" of ESR-REIT for the purposes of Chapter 9 of the Listing Manual. Accordingly, the proposed entry into the Proposed Development Management Fee Supplement is an interested person transaction under Chapter 9 of the Listing Manual.

The ESR-REIT Manager has appointed KPMG Corporate Finance Pte Ltd as the independent financial adviser to advise the Relevant Independent Directors (Development Management Fee), the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager, and the ESR-REIT Trustee in relation to the Proposed Development Management Fee Supplement. A copy of the IFA Letter (Development Management Fee) is set out in Appendix A to this Circular and ESR-REIT Unitholders are advised to read the IFA Letter (Development Management Fee) carefully.

Having considered the principal terms of the Proposed Development Management Fee Supplement, and subject to the assumptions and qualifications set out in the IFA Letter (Development Management Fee), the IFA is of the view that the Proposed Development Management Fee Supplement is on normal commercial terms and not prejudicial to ESR-REIT and the minority ESR-REIT Unitholders.

On 1 August 2019, the SGX-ST granted its approval in-principle for the listing and quotation of the new ESR-REIT Units that may be issued from time to time in payment of the Development Management Fee to the ESR-REIT Manager, subject to: (a) ESR-REIT's compliance with the SGX-ST's listing requirements; and (b) approval of the Independent ESR-REIT Unitholders (Development Management Fee) being obtained for the entry into the Proposed Development Management Fee Supplement and authority to issue new ESR-REIT Units in payment of the Development Management Fee to the ESR-REIT Manager. Such approval by the SGX-ST for the listing and quotation of new ESR-REIT Units on the SGX-ST shall not be taken as an indication of the merits of the Proposed Development Management Fee Supplement, the Development Management Fee, the new ESR-REIT Units, ESR-REIT and/or its subsidiaries.

## 4. THE PROPOSED AMENDMENT AND RESTATEMENT OF THE ESR-REIT TRUST DEED

4.1 **Background**

Following the merger of VIT with ESR-REIT by way of a trust scheme of arrangement, which became effective and binding in accordance with its terms on 15 October 2018, the stapled securities of VIT were delisted from the Official List of the SGX-ST. VI-REIT ceased to be an authorised collective investment scheme and became a wholly-owned sub-trust of ESR-REIT. VI-REIT was subsequently renamed as "Viva Trust". Viva Industrial Business Trust, which was dormant, was wound up in December 2018.

As VIT was listed in November 2013 and ESR-REIT has been listed since July 2006, the VI-REIT Trust Deed is more updated and in line with market standards than the ESR-REIT Trust Deed. As such, the ESR-REIT Manager, as the manager of ESR-REIT, proposes that ESR-REIT amend and restate the ESR-REIT Trust Deed to the Amended and Restated Trust Deed, the provisions of which are closely aligned to the provisions of the VI-REIT Trust Deed (excluding provisions which are not relevant to ESR-REIT, for example: (a) provisions relating to stapled securities, (b) provisions contemplating the listing of ESR-REIT securities on a securities exchange other than the SGX-ST, and (c) provisions relating to the period prior to listing), and which will incorporate amendments in line with current laws and regulations, including without limitation the current version of the Property Funds Appendix, as well as other general amendments to streamline, update and rationalise certain provisions in the Amended and Restated Trust Deed for greater clarity and/or to provide greater flexibility for ESR-REIT.

In line with Rule 730(2) of the Listing Manual, which provides that an issuer must make its constitution consistent with all the listing rules of the Listing Manual prevailing at the time of the amendment of its constitution, the Amended and Restated Trust Deed also contains changes made for consistency with the Listing Rules.

ESR-REIT Unitholders should note that provisions in the ESR-REIT Trust Deed that have more recently been updated, such as the provisions relating to issuance of ESR-REIT Units and electronic communications (last amended in 2018), as well as provisions included to facilitate the multiple proxies regime (last amended in 2016), have been incorporated in the Amended and Restated Trust Deed.

**ESR-REIT Unitholders should further note that the provisions relating to fees payable to the ESR-REIT Manager (apart from clarificatory amendments as summarised in paragraph 4.2 of this Circular and editorial changes) and the ESR-REIT Trustee will remain as reflected in the existing ESR-REIT Trust Deed, save for the following: in the event that Resolution 2 is approved, the amendments to the ESR-REIT Trust Deed set out in the Proposed Development Management Fee Supplement will be included in the Amended and Restated Trust Deed.**

Pursuant to Clause 28.2 of the ESR-REIT Trust Deed, the proposed amendment and restatement of the ESR-REIT Trust Deed is subject to the approval of ESR-REIT Unitholders by way of an Extraordinary Resolution.

Subject to the passing of the Extraordinary Resolution to amend and restate the ESR-REIT Trust Deed, corresponding amendments, to the extent relevant, will be made to the Viva Trust Deed to align the provisions thereof to the Amended and Restated Trust Deed.

4.2 **Summary of Key Changes Reflected in the Amended and Restated Trust Deed**

Provisions in the Amended and Restated Trust Deed which represent key substantive changes or are new to or differ significantly from the provisions in the existing ESR-REIT Trust Deed, and which are pertinent to ESR-REIT as a listed REIT[10], are summarised in paragraphs 4.2(a) to (nn) of this Circular.

This summary should be read together with Appendix C to this Circular, as well as with the Proposed Development Management Fee Supplement (in the event Resolution 2 is approved). Appendix C to this Circular sets out in detail the wording of the key clauses of

10 Provisions which are relevant to periods during which ESR-REIT is Unlisted (as defined in the Amended and Restated Trust Deed) have been omitted in the summary.

the Amended and Restated Trust Deed which are substantively changed or are new or significantly different from the corresponding clauses in the existing ESR-REIT Trust Deed.

Capitalised words and expressions used in paragraphs 4.2(a) to (nn) of this Circular bear the meanings set out in the Amended and Restated Trust Deed, unless otherwise defined. Clause references in paragraphs 4.2(a) to (nn) of this Circular are references to the clauses of the Amended and Restated Trust Deed unless otherwise stated.

(a) **Definitions.** Clause 1.1, which defines terms used in the Amended and Restated Trust Deed, contains the following new or amended definitions:

(i) the definition of "Property Expenses" is amended to expressly include expenses for the maintenance and repair of Operating Equipment, Real Estate taxes, and business tax, land use tax or other applicable taxes paid or payable on the importation of any goods or services, and to expressly exclude finance costs of the ESR-REIT Trustee or the relevant Special Purpose Vehicle;

(ii) the definition of "Property Income" is amended to clarify that it may be pro-rated, if applicable, to the proportion of the interest of ESR-REIT in the Real Estate or the relevant Special Purpose Vehicle;

(iii) the definition of "Real Estate" is amended to make clear it shall also include any beneficial, economic or contractual rights and any other form of interest in or over land, wherever situated, held singly or jointly, and/or by way of direct ownership or by way of a holding of shares, units or interests or rights in a Special Purpose Vehicle;

(iv) the definition of "Real Estate Related Assets" is amended to make clear it shall also include listed or unlisted units in business trusts, collective investment schemes or unit trusts;

(v) the definition of "Securities" is amended to make clear it also includes any convertible securities (including, without limitation, convertible bonds), and units in business trusts and collective investment schemes;

(vi) the definition of "Special Purpose Vehicle" is widened to expressly include an unlisted trust or business form whose primary purpose is to hold or own Real Estate or to hold or own shares, units or any other interests, units or other form of rights (whether beneficial, economic or contractual) in such other unlisted entity, trust or business form whose primary purpose is to hold or own Real Estate, or to perform services related to or in connection with the ownership of Real Estate;

(vii) the definition of "Stockbroker" is widened to include an entity which holds a financial adviser's licence issued pursuant to or an exempt financial adviser under the Financial Advisers Act, Chapter 110 of Singapore, and/or a holder of a capital markets services licence for the regulated activity of advising on corporate finance issued pursuant to the Securities and Futures Act; and

(viii) the definition of "Tax-Exempt Income" is amended to refer expressly to income receivable by ESR-REIT out of Income for that Distribution Period which is exempt from Tax under the Tax Act when received in Singapore.

(b) **Relevant Laws, Regulations and Guidelines.** A new clause is added at Clause 1.9 which provides that for the avoidance of doubt, in the event of a conflict between any provision of the Amended and Restated Trust Deed and the Relevant Laws, Regulations and Guidelines, the Relevant Laws, Regulations and Guidelines shall prevail.

In this regard, there is also a new provision in Clause 1.1 defining "Relevant Laws, Regulations and Guidelines". The "Relevant Laws, Regulations and Guidelines" include any and/or all laws, regulations and guidelines that apply to ESR-REIT and/or which are relevant to its management, operations, marketing, business, investments, activities or affairs, including the Code, the Property Funds Appendix, the SFA, the Listing Rules, all applicable tax laws, and all directions, guidelines or requirements imposed by any governmental, statutory or regulatory authority that apply to ESR-REIT.

(c) **Variation of rights.** A new Clause 2.7, which relates to the variation of rights of any class of ESR-REIT Units, is inserted. Clause 2.7 provides, *inter alia*, the following:

(i) that whenever the ESR-REIT Units are divided into different classes, then, subject to the Relevant Laws, Regulations and Guidelines, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of at least three-quarters of the issued ESR-REIT Units of the class or with the sanction of an extraordinary resolution at a separate meeting of holders of the ESR-REIT Units of the class (but not otherwise);

(ii) to every such meeting of Holders, all the provisions of the Amended and Restated Trust Deed relating to meetings of Holders shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued ESR-REIT Units of the class; and

(iii) the rights conferred upon the Holders of the ESR-REIT Units of any class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the ESR-REIT Units of that class or by the Amended and Restated Trust Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further ESR-REIT Units ranking equally therewith.

In connection therewith, Clause 3.1 is amended *inter alia* to clarify that the information to be entered into the Register shall include the class of ESR-REIT Units held by each ESR-REIT Unitholder (if more than one class of ESR-REIT Units has been issued).

(d) **Transfer of ESR-REIT Units.** *Inter alia*, the following amendments relating to the transfers of ESR-REIT Units are made to Clause 3.7:

(i) Clause 3.7.1, which relates to the procedures concerning the transfer of Listed ESR-REIT Units, is amended to clarify that no transfer or purported transfer of a ESR-REIT Unit other than a transfer made in accordance with Clause 3.7.1 shall entitle the transferee to be registered in respect thereof, and no notice of such transfer or purported transfer shall be entered upon the Depository Register;

(ii) a new clause, which provides that the ESR-REIT Trustee shall have the power to rectify the Register if it appears to the ESR-REIT Trustee that any of the particulars recorded in the Register is wrongly entered or omitted, is inserted at Clause 3.7.8; and

(iii) a new clause, which provides that subject to compliance with the procedures set out at Clause 3.7, there shall be no restriction in the Amended and Restated Trust Deed on the transfer of fully paid ESR-REIT Units except where required by the Relevant Laws, Regulations and Guidelines, is inserted at Clause 3.7.9.

(e) **Minors.** The definition of "Minor" in Clause 1.1 is amended to mean an individual under the age of 18 years (previously 21 years). Consistent therewith, references to 21 years in Clauses 3.8 and 3.10 relating to Joint Holders are amended to 18 years.

The said amendments are consistent with amendments made to the Civil Law Act, Chapter 43 of Singapore, to lower the age of contractual capacity from 21 years to 18 years.

(f) **Payment of registration fee.** Clause 3.12 is amended to clarify that the payment of the fee required for the registration of *inter alia*, any probate, letter of administration, marriage or death certificate or any other document relating to or affecting the title to any ESR-REIT Unit, must be paid before the registration of any transfer if required by the ESR-REIT Trustee.

(g) **Interest of ESR-REIT Unitholders.** Clause 4.3.3 is a new clarificatory provision to make clear that an ESR-REIT Unitholder shall not have or acquire any rights against the ESR-REIT Trustee and/or the ESR-REIT Manager except as expressly conferred by the Amended and Restated Trust Deed nor shall the ESR-REIT Trustee be bound to make any payment to any ESR-REIT Unitholder except out of the funds held by it for that purpose under the provisions of the Amended and Restated Trust Deed.

(h) **Charges and fees.** Clause 4.4 is amended to clarify that all Liabilities and claims that the ESR-REIT Manager and ESR-REIT Trustee may suffer in carrying out their duties and complying with their obligations, exercising all powers, authorities, discretions and rights under the Amended and Restated Trust Deed or pursuant to any undertaking, indemnity, representation or warranty given by or agreement entered into by the ESR-REIT Manager or the ESR-REIT Trustee pursuant to their powers, authorities, discretions and rights under the Amended and Restated Trust Deed or in managing and administering ESR-REIT, may be payable out of the Deposited Property, and this shall also include, without limitation:

(i) all outgoings necessary or desirable for the management, administration or operation of ESR-REIT and the Deposited Property, including valuations and the costs of leasing systems and the Property Expenses (Clause 4.4.1);

(ii) the cost of engaging professionals, including but not limited to auditors, solicitors and valuers (Clause 4.4.2);

(iii) to the extent permitted by Relevant Laws, Regulations and Guidelines, costs incurred in conducting non-deal roadshow presentations to and meetings with ESR-REIT Unitholders, prospective investors and analysts for investor relations purposes or otherwise (Clause 4.4.7);

(iv) fees and costs related to debt and hedging arrangements and underwriting of debt instruments, and fees and expenses on any lending or borrowing, and in negotiating, entering into, varying, carrying into effect and terminating any lending or borrowing arrangement (Clause 4.4.13);

(v) costs and expenses incurred in connection with the convening and holding of meetings in relation to ESR-REIT including but not limited to meetings with ESR-REIT Unitholders and prospective investors, analysts and media briefings (Clause 4.4.15);

(vi) to the extent permitted by Relevant Laws, Regulations and Guidelines, costs and expenses incurred in connection with the maintenance of communication channels and relationships with investors (Clause 4.4.16);

(vii) fees and expenses incurred in connection with the retirement or removal of any property manager or the appointment of any property manager (Clause 4.4.25);

(viii) to the extent permitted by Relevant Laws, Regulations and Guidelines, costs and expenses, including reimbursement of out-of-pocket expenses, incurred in connection with any exhibition and conference for the marketing, promotion or advertising of ESR-REIT Units or ESR-REIT (Clause 4.4.26);

(ix) costs and expenses, including reimbursement of out-of-pocket expenses, of company secretaries, surveyors, Approved Valuers, real estate agents, property managers, asset managers, contractors, investment managers, investment advisers, qualified advisers and other service providers or other persons employed or engaged (Clause 4.4.27); and

(x) costs and expenses incurred in connection with corporate social responsibility commitments and activities of ESR-REIT and charitable acts and donations made in the name of ESR-REIT (Clause 4.4.41).

(i) **Issuance of ESR-REIT Units.** Clause 5.1.1, relating to the issue of ESR-REIT Units, is amended to provide that subject to any Relevant Laws, Regulations and Guidelines, ESR-REIT Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the ESR-REIT Manager may think fit.

Further, a new Clause 5.1.3 is added, to provide that preference ESR-REIT Units may be issued subject to any limitation prescribed by the SGX-ST. The total number of issued preference ESR-REIT Units shall not exceed the total number of ordinary ESR-REIT Units at any time. Preference Holders shall have the same rights as ordinary Holders as regards *inter alia* receiving of notices, reports and balance sheets. Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of ESR-REIT or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference ESR-REIT Units is more than six months in arrears. New Clause 5.1.4 goes on to state that the ESR-REIT Manager has the power to issue further preference capital ranking equally with, or in priority to, preference ESR-REIT Units already issued. Such amendments are consistent with the requirements set out at Appendix 2.2 of the Listing Manual.

A new clause is added at Clause 5.2.3 which provides that subject to any direction to the contrary that may be given by an Ordinary Resolution or except as permitted by the Listing Rules, all new ESR-REIT Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of meetings of ESR-REIT Unitholders in proportion, as far as circumstances admit, to the number of existing ESR-REIT Units to which they are entitled. In the event that the offer is declined or deemed declined, the ESR-REIT Manager may dispose of those ESR-REIT Units in a manner as it thinks most beneficial to ESR-REIT. The proposed amendments are consistent with the requirements set out at Appendix 2.2 of the Listing Manual.

(j) **ESR-REIT Units issued on unpaid or partly paid basis.** Clause 5.4 is a new provision. Clause 5.4.1 provides that capital paid on ESR-REIT Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions. Clause 5.4.2 to Clause 5.4.4 provide for detailed provisions relating to calls on the ESR-REIT Units and forfeiture and lien relating thereto in the circumstances where the ESR-REIT Manager issues ESR-REIT Units on an unpaid or partly paid basis to any person. The proposed amendments are consistent with the provisions of Appendix 2.2 of the Listing Manual.

(k) **Suspension of issue.** Clause 5.11.7 is amended to clarify that the events that may result in a suspension of the issue of ESR-REIT Units include when the business operations of the ESR-REIT Manager or ESR-REIT Trustee in relation to the operation of ESR-REIT are substantially interrupted or closed as a result of, or arising from, nationalism, expropriation, currency restrictions, widespread communicable and infectious diseases, and nuclear fusion or fission.

(l) **Issue of Instruments Convertible into Units.** Clause 5.12 is added to make clear that the ESR-REIT Manager may issue instruments which may be convertible into ESR-REIT Units (including without limitation any Securities, options, warrants, debentures or other instruments) for consideration or no consideration and on such terms of offer and issue as the ESR-REIT Manager may determine, subject *inter alia* to all Relevant Laws, Regulations and Guidelines.

(m) **Valuation.** Clause 6.1.2 is amended to clarify that in the case of an Authorised Investment which is in the nature of Real Estate in the form of land, the value thereof shall be its Acquisition Cost on its Acquisition Date, but if a valuation by an Approved Valuer had been obtained in connection with and prior to ESR-REIT's acquisition of such Authorised Investment, then the Value thereof as determined by such valuation should apply. Clause 6.1.3 is also amended to clarify that in the case of an Investment falling within any paragraph of the definition of "Authorised Investment" which is in the nature of a Special Purpose Vehicle owning Real Estate in the form of land, the value thereof, subject to Clauses 6.2 to 6.4, is similarly the Acquisition Cost thereof on its Acquisition Date, or if a valuation by an Approved Valuer of such Authorised Investment has been obtained in connection with and prior to such Authorised Investment or has been obtained subsequent to such acquisition pursuant to the provisions of the Amended and Restated Trust Deed, the Value of such Authorised Investment as determined by such valuation; and in each case, less any impairment in net recoverable value.

Clause 6.1 has also been amended to provide that any changes to the valuation rules as provided in Clause 6.1 shall require the prior approval of the ESR-REIT Trustee and the ESR-REIT Trustee shall determine if ESR-REIT Unitholders should be informed of such changes.

In addition, Clause 6.2 is amended to delete the specific requirement for yearly or other periodic valuation and to replace it with a general requirement that ESR-REIT shall comply with all requirements of the Property Funds Appendix relating to the valuation of ESR-REIT's Real Estate (including, but not limited to, the frequency and method of valuation).

(n) **ESR-REIT Unit Buy-Backs.** Clause 7 is amended to provide that when ESR-REIT is Unlisted, the ESR-REIT Manager shall offer to redeem or repurchase ESR-REIT Units in accordance with the Property Funds Appendix. The existing Clause 7.3 of the ESR-REIT Trust Deed, which stated that if the ESR-REIT Units have been suspended from trading for at least 60 consecutive calendar days or ESR-REIT is delisted from the SGX-ST, the ESR-REIT Manager covenants to offer to redeem the ESR-REIT Units within 30 calendar days from the end of the 60 consecutive calendar days of such suspension or (as the case may be) the date ESR-REIT is delisted, is deleted. Clause 7 has also been amended to delete certain provisions relating to repurchase and redemption of ESR-REIT Units and instead include provisions relating to repurchase or acquisition of issued ESR-REIT Units by the ESR-REIT Manager under an ESR-REIT Unit Buy-Back Mandate, consistent with Part XIII of Chapter 8 of the Listing Manual and incorporating provisions similar to the provisions of the Companies Act governing the acquisition by a company of its own shares.

(o) **Delisting of ESR-REIT.** Clause 9.2 is amended to provide that the ESR-REIT Manager may make an application to delist ESR-REIT if the delisting has been approved by an Extraordinary Resolution and in accordance with all Relevant Laws, Regulations and Guidelines.

(p) **Special Purpose Vehicles and Treasury Companies.** Clause 10.4, which relates to Special Purpose Vehicles or Treasury Companies owned by ESR-REIT, is amended to provide or clarify as follows:

(i) the interpretation of the terms "Deposited Property", "Property Value" and "Gross Revenue" in the case where ESR-REIT holds its investments through one or more Special Purpose Vehicles or Treasury Companies;

(ii) that the ESR-REIT Manager shall take all steps within its powers to give effect to the decision of the ESR-REIT Trustee in relation to the appointment or removal of directors of the Special Purpose Vehicle and Treasury Company, and shall procure and ensure that directors of the Special Purpose Vehicle and Treasury Company nominated by the ESR-REIT Manager and appointed by the ESR-REIT Trustee observe and be bound by the same investment policies, strategies, duties, obligations and restrictions imposed on the ESR-REIT Manager under the Amended and Restated Trust Deed;

(iii) that the ESR-REIT Trustee or its nominees shall have the right to attend and to have observers present at meetings of the board of directors of the Special Purpose Vehicle and Treasury Company and be provided with board papers, information and documents; and

(iv) subject to and without prejudice to any additional requirements specified by the Relevant Laws, Regulations and Guidelines, the following matters in relation to each Special Purpose Vehicle and Treasury Company, amongst others, shall require the consent of the ESR-REIT Trustee:

(A) amendment of the provisions of the constitutive documents;

(B) cessation or change of the business;

(C) changes to the investment policies;

(D) liquidation, winding-up, termination or other event of analogous effect;

(E) changes in the equity of capital structure;

(F) acquisition of any form of investment or transfer or disposal of assets;

(G) Related Party transactions; and

(H) incurrence of borrowings and foreign exchange, financial futures and financial derivatives trading,

without prejudicing or limiting the duties and responsibilities of the board of directors of any Special Purpose Vehicle or limiting its right to take any action duly authorised by its shareholders and/or boards of directors or other governing body under the laws of its jurisdiction of formation, and the constitution or other governing documents of such Special Purpose Vehicle.

(q) **Tax indemnity.** Clause 10.7 is amended to clarify that the ESR-REIT Trustee may recover from an ESR-REIT Unitholder any payment which the ESR-REIT Trustee makes to IRAS as a result of any failure of such ESR-REIT Unitholder to pay any tax payable by him.

(r) **Indemnification.** Clause 10.10 is amended to clarify that unless the ESR-REIT Trustee is indemnified to its satisfaction, no investment shall be made in any Authorised Investment which may expose the ESR-REIT Trustee's directors, officers, employees or staff to any personal liability and the ESR-REIT Trustee's directors, officers, employees or staff shall not be bound to enter into any contract under which it may be exposed to any such personal liability.

In addition, provisions have been added in Clause 17.6 to make clear that the ESR-REIT Trustee and ESR-REIT Manager shall be entitled to be indemnified out of the Deposited Property in respect of any liability that each of them may incur pursuant to a proper exercise of its powers and duties, despite any loss that ESR-REIT may have suffered or any diminution of the Deposited Property due to an unrelated act or omission. Further, the indemnities provided under the Amended and Restated Trust Deed shall to the fullest extent permitted by law, continue to apply after the ESR-REIT Trustee and/or ESR-REIT Manager resign or are removed as trustee and manager (respectively) of ESR-REIT for any liability that each of them may have incurred pursuant to a proper exercise of its powers and duties.

(s) **ESR-REIT Trustee's borrowing and lending powers.** Clause 10.12.1 is amended to additionally provide that the ESR-REIT Manager may also require the ESR-REIT Trustee to lend or guarantee any indebtedness where:

(i) in the case of an investment by ESR-REIT as joint owner, it is necessary or desirable to enable the ESR-REIT Trustee to meet any contractual obligations between the ESR-REIT Trustee and/or ESR-REIT Manager and other joint owners of the Investment or the relevant Special Purpose Vehicle or Treasury Company; or

(ii) it is desirable that moneys be lent to finance the acquisition of any Authorised Investment directly or indirectly through holdings of shares, units or other interest(s) in Special Purpose Vehicles or Treasury Companies, or the acquisition of any Real Estate or beneficial interests therein.

Further, Clause 10.12.1 is also amended to provide that the ESR-REIT Trustee, with the consent of the ESR-REIT Manager, may repay any liabilities in respect of, purchase, repurchase, buy-back, redeem and/or cancel the Securities described within Clause 10.12.1 if it thinks it necessary or desirable in the interests of the ESR-REIT Unitholders to do so.

In addition, a new Clause 10.12.11 is included, providing that whenever the ESR-REIT Manager considers it necessary or desirable in order to further the interests of the ESR-REIT Unitholders as a whole, the ESR-REIT Manager may require the ESR-REIT Trustee to lend moneys out of the Deposited Property to any entities which ESR-REIT owns (whether wholly or partially) on such terms and conditions as may be determined by the ESR-REIT Manager, subject to compliance with the Relevant Laws, Regulations and Guidelines.

(t) **Distributions.** Clause 11.11 has been amended to clarify that ESR-REIT's distribution policy is to distribute as much of its Income as practicable, but subject to retention of such amounts as the ESR-REIT Manager considers would be in the interests of ESR-REIT Unitholders and having regard to the future capital requirements of ESR-REIT.

Additionally, a new clause relating to the distributions of capital and unrealised gains is inserted at Clause 11.13. It provides that subject to the Relevant Laws, Regulations and Guidelines, the ESR-REIT Manager may, with the consent of the ESR-REIT Trustee, cause the distribution of an amount which represents:

(i) part of the capital of ESR-REIT and which the ESR-REIT Manager reasonably determines to be in excess of the financial needs of ESR-REIT;

(ii) part or all of the unrealised gains (including revaluation gains) due to the increase in the capital value of the Real Estate held by ESR-REIT; and/or

(iii) any other amount as the ESR-REIT Manager deems appropriate.

(u) **Unclaimed moneys.** Clauses 12.4.3 and 12.4.4 are newly inserted to clarify that where ESR-REIT is Listed and to the extent that there are unclaimed moneys held by the Depository, the ESR-REIT Trustee shall cause such sums which are returned by the Depository to the ESR-REIT Trustee (and which have remained unclaimed for a period of six years after the time when such moneys became payable to such ESR-REIT Unitholder) to be paid into the courts of Singapore, except where, subject to any Relevant Laws, Regulations and Guidelines, if such unclaimed moneys are in the opinion of the ESR-REIT Trustee (in consultation with the ESR-REIT Manager) insufficient or impractical to be paid into the courts of Singapore, the said amount shall, to the extent permitted by Relevant Laws, Regulations and Guidelines, be dealt with in such manner as the ESR-REIT Manager may direct.

(v) **Clarification with respect to calculation of Base Fee.** Clause 15.1.1(iii) and Clause 15.1.1(iv) are amended to add wording to clarify the accrual methodology and computation of the Base Fee.

(w) **Remuneration of Property Manager.** A new clause is inserted at Clause 15.8 to allow for the Property Management Fees to be paid in the form of Cash and/or ESR-REIT Units as the ESR-REIT Manager may in its sole discretion determine.

The ESR-REIT Manager believes that the ability to pay the Property Management Fees in ESR-REIT Units will give the ESR-REIT Manager added flexibility to manage ESR-REIT's cashflow, and, to the extent the Property Manager receives the Property Management Fees in ESR-REIT Units, will result in better alignment of interests between the Property Manager and ESR-REIT Unitholders.

New Clause 15.9 also provides for the form and time of payment of the fees payable to the Property Manager, including the following:

(i) where the fees payable to the Property Manager are payable in the form of ESR-REIT Units, such payment shall be made within 30 days of the last day of every calendar quarter in arrears;

(ii) where the fees payable to the Property Manager are payable in the form of Cash, such payment shall be made out of the Deposited Property within such period of time as provided for in the relevant property management agreement in arrears, and in the event that Cash is not available out of the Deposited Property to make the whole or part of such payment, then payment of such fees due and payable to the Property Manager shall be deferred to such period when Cash is available out of the Deposited Property;

(iii) where the fees payable to the Property Manager are payable in the form of ESR-REIT Units, the Property Manager shall be entitled to receive such number of ESR-REIT Units as may be purchased with such fees attributable to the relevant period at an Issue Price equal to the Market Price, and for this purpose, "Market Price" means the volume weighted average traded price for an ESR-REIT Unit for all trades on the SGX-ST for the last ten Business Days immediately preceding the end of the relevant calendar quarter for which such fees relate to, or if the ESR-REIT Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of an ESR-REIT Unit, an amount determined by the ESR-REIT Manager (after consulting with a Stockbroker approved by the ESR-REIT Trustee) and as approved by the ESR-REIT Trustee, as being a fair Market Price of an ESR-REIT Unit; and

(iv) all ESR-REIT Units issued to the Property Manager as fees payable shall be credited as fully paid and rank *pari passu* with other ESR-REIT Units of the same class and the Property Manager shall be entitled to all the rights attached to any ESR-REIT Units issued to it as any other ESR-REIT Unitholder of ESR-REIT Units.

Paragraph 4.2(w)(iii) above does not contemplate any change to the quantum of the Property Management Fees, but merely builds in a flexibility for the ESR-REIT Manager to determine, in the interests of ESR-REIT and the ESR-REIT Unitholders, whether to pay the Property Management Fees in Cash and/or ESR-REIT Units.

As at the Latest Practicable Date, the Property Manager appointed under the Property Management Agreement is ESR Property Management (S) Pte. Ltd., an indirect wholly-owned subsidiary of ESR. More information about the Property Manager and the Property Management Agreement in force as at the Latest Practicable Date can be found in the PMA Announcement.

For the avoidance of doubt, as reflected in paragraph 3 of the PMA Announcement, the Property Management Fees are set at not more than market rates, in compliance with paragraph 5.5(a) of the Property Funds Appendix. In paragraph 4 of the PMA Announcement, the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager confirmed that the entry into the Property Management Agreement was on normal commercial terms and negotiated on an arm's length basis and would not be prejudicial to the interests of ESR-REIT and the minority ESR-REIT Unitholders.

Subject to the passing of the Extraordinary Resolution to amend and restate the ESR-REIT Trust Deed, the Property Management Agreement will be amended to incorporate clauses consistent with and reflecting Clauses 15.8 and 15.9 of the Amended and Restated Trust Deed, to provide for the payment of the Property Management Fees in ESR-REIT Units. The Property Manager has confirmed it has no objection to such amendments and will execute such supplemental agreements to the Property Management Agreement with the ESR-REIT Manager and the ESR-REIT Trustee, being the respective counterparties to the Property Management Agreement, to effect such amendments.

(x) **Anti-money laundering measures.** A new clause is inserted at Clause 17.12 which provides that any of the ESR-REIT Trustee, ESR-REIT Manager and/or their Associates may take any action which it, in its sole and absolute discretion, deems appropriate so as to comply with any law, regulation, rule, directive or request of a governmental, statutory or regulatory authority or any group policy of the ESR-REIT Trustee or ESR-REIT Manager which relate to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to any persons or entities which may be subject to sanctions.

Clause 17.12 also provides that the ESR-REIT Trustee, ESR-REIT Manager and their respective Associates will not be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of or caused in whole or in part by any such actions which are taken by the ESR-REIT Trustee, ESR-REIT Manager and/or any of their respective agents or Associates.

(y) **Powers of the ESR-REIT Trustee.** Clause 18.14 is amended to clarify that the powers of the ESR-REIT Trustee (on the recommendation of the ESR-REIT Manager in writing) include exercising all the rights, powers and authorities vested in the ESR-REIT Trustee by virtue of its ownership of the Deposited Property or otherwise by any statute, the common law or rules of equity; without prejudice to or limiting the duties and responsibilities of the board of directors of any subsidiary of ESR-REIT or limiting its right to take any action duly authorised by its shareholders and/or boards of directors or other governing body under the laws of its jurisdiction of formation, and the constitution or other governing documents of such subsidiary.

(z) **ESR-REIT Manager's activities.** Clause 19.1 is amended to clarify that the ESR-REIT Manager shall, in managing ESR-REIT and its business, undertake such activities that shall include the carrying out of the repurchase and/or redemption of ESR-REIT Units if at any time ESR-REIT or the ESR-REIT Units becomes Unlisted in accordance with the provisions of the Amended and Restated Trust Deed or any Relevant Laws, Regulations and Guidelines, and in respect of any terms which are necessary to carry out such repurchase and/or redemption that are not prescribed by the Amended and Restated Trust Deed or such Relevant Laws, Regulations and Guidelines, such terms shall be determined by agreement between the ESR-REIT Trustee and the ESR-REIT Manager.

(aa) **Disclosure obligations of the Directors.** Clause 19.10 of the existing ESR-REIT Trust Deed is deleted in its entirety. It had provided for the disclosure obligations of the Directors relating to their interests in ESR-REIT Units.

Such disclosure obligations are now set out in the SFA and the Directors are bound by the relevant provisions of the SFA including Section 137Y to give notice in writing of the particulars of their interests in ESR-REIT Units and other securities of ESR-REIT and of any changes in respect of such particulars.

(bb) **Provisions relating to the Directors.** A new Clause 19.11 is inserted. Clause 19.11 provides, *inter alia*, that the ESR-REIT Manager covenants as follows:

(i) a Director shall not vote (and shall not form the quorum for the relevant board meeting) in respect of any contract, transaction or arrangement or any other proposal whatsoever being proposed for ESR-REIT in which he has any personal material interest, directly or indirectly;

(ii) the office of a Director shall be vacated if the Director becomes of unsound mind or if the Director shall become bankrupt or makes any arrangement or composition with his creditors generally;

(iii) the board of Directors may from time to time entrust to and confer upon a managing Director (or person holding an equivalent position) such of the powers as they may think fit to be exercised on such terms and conditions and with such restrictions as they think expedient, and may from time to time revoke, withdraw, alter or vary all or any of such powers. A managing Director (or person holding an equivalent position) of the ESR-REIT Manager shall at all times be subject to the control of the board of Directors;

(iv) the continuing Directors may act notwithstanding any vacancies but if the number of Directors is reduced below the minimum number fixed by the constitution of the ESR-REIT Manager, the continuing Directors may act only for the purpose of filling up such vacancies or of summoning general meetings of the ESR-REIT Manager, but not for any other purpose (except in an emergency);

(v) any Director may appoint any person approved by a majority of the Directors (other than another Director) to be his alternate Director. A person shall not act as alternate Director to more than one Director at the same time;

(vi) where a Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of Directors; and

(vii) in the case of an equality of votes at a board meeting of the ESR-REIT Manager (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue) the chairman of the meeting of the Directors shall have a second and casting vote.

The amendments summarised in this paragraph 4.2(bb) are consistent with the provisions set out in Appendix 2.2 of the Listing Manual and contained in the present Constitution of the ESR-REIT Manager. As at the Latest Practicable Date, no managing Director has been appointed.

(cc) **Covenants by the ESR-REIT Manager.** Clause 20.1.1 is amended to provide that the ESR-REIT Manager covenants that it will ensure that ESR-REIT is carried on and conducted in a proper and efficient manner in the best interests of ESR-REIT Unitholders as a whole. Such amendment is consistent with Section 286(10A) of the SFA which provides that the manager of an authorised real estate investment trust must act in the best interest of all unitholders as a whole and give priority to their interests over the manager's own interests and the interests of the shareholders of the manager in the event of a conflict.

Clause 20.1.7 is also amended to provide that the ESR-REIT Manager will use its best endeavours to ensure that its Related Parties will conduct all transactions with or for ESR-REIT on an arm's length basis and on normal commercial terms.

(dd) **Covenants by the ESR-REIT Trustee.** Clause 20.2.7 is added as a covenant on the part of the ESR-REIT Trustee that it will duly perform and comply with all obligations imposed on it by any agreement it enters into as trustee of ESR-REIT.

(ee) **Preparation of accounts.** Clause 21.1 is amended to clarify that the ESR-REIT Manager shall cause to be prepared the Accounts which shall contain such statements, reports and information as may be required by the Relevant Laws, Regulations and Guidelines.

(ff) **Appointment and removal of Auditors.** Clause 22.1, relating to the appointment of Auditors, is amended to clarify that for as long as ESR-REIT is Listed, the Auditors shall be appointed by an ordinary resolution duly passed by ESR-REIT Unitholders at each Annual General Meeting to be convened, and shall hold office until the conclusion of the next Annual General Meeting unless they resign or are removed. A new Clause 22.3 provides that the Auditors may be removed, and other Auditors appointed in their place, by an Extraordinary Resolution duly passed at a meeting of ESR-REIT Unitholders. This is in line with paragraph 4.1(f) of the Property Funds Appendix which provides that an auditor may be removed by resolution passed at a general meeting.

(gg) **Removal or retirement of Trustee.** Clause 23.2 is amended to clarify that where a trustee of ESR-REIT voluntarily retires, upon a deed being entered into providing for the appointment of the new trustee of ESR-REIT, the retiring trustee shall be absolved and released from all further obligations but without prejudice to any liability or obligation of the retiring trustee which may have accrued or arisen prior to such retirement.

Clause 3.5.2 has also been amended to clarify that upon the removal or retirement of the ESR-REIT Trustee, the ESR-REIT Trustee shall not retain any copies of the Register and all subsidiary documents and records relating thereto unless required by law to do so.

(hh) **Removal and retirement of ESR-REIT Manager.** Clause 24.1, which relates to the removal of the ESR-REIT Manager, is amended to clarify that the ESR-REIT Manager may be removed by a resolution passed by a simple majority of ESR-REIT Unitholders present and voting (with no ESR-REIT Unitholders disenfranchised) at a meeting of ESR-REIT Unitholders. Such amendment is consistent with paragraph 4.1(a) of the Property Funds Appendix.

Further, Clauses 24.1 and 24.2 are amended to provide that upon the ESR-REIT Manager's removal or retirement, the removed or retiring ESR-REIT Manager shall give the new ESR-REIT Manager all books, documents, records and any other property held by or on behalf of the removed or retiring ESR-REIT Manager relating to ESR-REIT and take all steps within its powers as may be required or necessary to facilitate the change of ESR-REIT Manager.

(ii) **Change of name of ESR-REIT.** Clause 24.3 is inserted to provide that upon any removal or retirement, the removed or retiring ESR-REIT Manager may require the words "ESR" to cease to form part of the name of ESR-REIT, and any signage existing on any Real Estate bearing the words "ESR" or conveying any affiliation to ESR Funds Management (S) Limited and its related corporations, trust and funds to be removed within seven days of such removal or retirement.

(jj) **Modification of ESR-REIT Trust Deed.** Clause 28 is amended to additionally provide that the ESR-REIT Trustee and ESR-REIT Manager shall be entitled by deed supplemental to the Amended and Restated Trust Deed to modify, alter or add to the provisions of the Amended and Restated Trust Deed if the ESR-REIT Trustee shall certify in writing that in its opinion, such modification, alteration or addition is made to remove obsolete provisions. Such amendment is in line with paragraph 3.2(f)(iii) of the Code.

(kk) **Personal Data and Data Protection.** The Personal Data Protection Act 2012 permits an organisation to collect, use or disclose an individual's personal data only with the consent of such individual. Further, an individual's personal data may only be collected, used or disclosed for reasonable purposes made known to him by the organisation.

To this end, Clauses 30 and 31 have been added, which provide that any natural person, by *inter alia* acquiring any ESR-REIT Units and other Securities, consents to the collection, use and disclosure of his personal data by ESR-REIT, its agents or service providers for the various purposes stated therein. Clause 30.2 stipulates that a person who provides to ESR-REIT any personal data relating to a third party warrants to ESR-REIT that he obtained the prior consent of the third party to the collection, use and disclosure by ESR-REIT of such personal data for the purposes stated in Clause 30.1. A person who provides ESR-REIT with the personal data of a third party is deemed to have agreed to indemnify ESR-REIT for liability arising from any breach of his warranty. Clause 31 addresses the obligations of the ESR-REIT Manager and the ESR-REIT Trustee to each other with regard to the collection, use, disclosure and processing of personal data.

(ll) **Substantial ESR-REIT Unitholders.** A new Clause 34 is inserted to make clear that neither the ESR-REIT Manager nor the ESR-REIT Trustee shall, by reason of anything done under the provisions of the SFA relating to the disclosure obligations of substantial ESR-REIT Unitholders, be taken for any purpose to have notice of, or be put on enquiry to, a right of any person to or in relation to an ESR-REIT Unit.

(mm) **Provisions governing notices between Trustee and Manager.** Clauses 18.2, 18.4, 19.2 and 27.4 relating to notices have been amended to remove references to "telex" and to include references to "email" notices.

(nn) **Provisions governing meetings of ESR-REIT Unitholders.** Schedule 1, which governs the meetings of ESR-REIT Unitholders, is amended. The key amendments include the following:

(i) Paragraph 3 of Schedule 1 is amended to provide that the controlling shareholders of the ESR-REIT Manager and any Associate thereof shall be entitled to receive notice of and attend any meeting of ESR-REIT Unitholders, but shall not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the relevant controlling shareholders of the ESR-REIT Manager or any Associate thereof has any material interest;

(ii) Paragraph 4.1 of Schedule 1 is amended to provide that 21 days' notice (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting of ESR-REIT Unitholders is required to pass an Extraordinary Resolution.

In addition, any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such businesses and where required by the Relevant Laws, Regulations and Guidelines, each notice shall be given by advertisement in the daily press and in writing to each stock exchange on which ESR-REIT is listed. This is consistent with Appendix 2.2 of the Listing Manual;

(iii) Paragraph 4.2 of Schedule 1 which relates to meetings of ESR-REIT Unitholders convened to wind up ESR-REIT is amended to delete the specific requirements set out therein and replace them with a requirement to comply with the relevant requirements of the SFA; and

(iv) Paragraph 9 of Schedule 1 is amended to make clear that every ESR-REIT Unitholder shall have a right to attend any general meeting of the ESR-REIT Unitholders and to speak and vote on any resolution before such meeting.

Extracts of the corresponding key Clauses in the Amended and Restated Trust Deed which are substantively changed or are new or significantly different from the corresponding provisions in the existing ESR-REIT Trust Deed, are set out in Appendix C to this Circular.

## 5. THE AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE PROPERTY MANAGEMENT FEES TO THE PROPERTY MANAGER

Subject to the passing of the Extraordinary Resolution to amend and restate the ESR-REIT Trust Deed, which includes Clauses 15.8 and 15.9 to allow for the Property Management Fees to be paid in the form of Cash and/or ESR-REIT Units as the ESR-REIT Manager may in its sole discretion determine, the ESR-REIT Manager is of the view that it is in the interests of ESR-REIT and the ESR-REIT Unitholders that the Property Management Fees from 1Q2019 onwards may in full or in part be payable in the form of ESR-REIT Units. The Property Manager has confirmed that it has no objection to the foregoing.

The Property Manager is a related company (as defined in Section 6 of the Companies Act) of a substantial ESR-REIT Unitholder and a corporation in whose shares a substantial ESR-REIT Unitholder has an aggregate interest of at least 10%, being an indirect wholly-owned subsidiary of ESR.

Pursuant to Rule 812(2) of the Listing Manual and Clause 5 of the Amended and Restated Trust Deed, the ESR-REIT Manager is seeking the approval of Independent ESR-REIT Unitholders (Property Management Fees) by way of an Ordinary Resolution to issue ESR-REIT Units in full or part payment of the Property Management Fees from time to time, at the issue price equal to the Market Price[11] set out in and otherwise in accordance with Clauses 15.8 and 15.9 of the Amended and Restated Trust Deed.

As a subsidiary of ESR, the Property Manager is also an associate of a controlling ESR-REIT Unitholder and therefore an interested person under Chapter 9 of the Listing Manual and interested party under paragraph 5 of the Property Funds Appendix. The issue of ESR-REIT Units will be in full or partial payment of the Property Management Fees payable under the Property Management Agreement. For good governance, such approval is also being sought on a voluntary basis for the issue of ESR-REIT Units to the Property Manager. As stated in the PMA Announcement, the Property Management Agreement is itself an interested person transaction under Chapter 9 of the Listing Manual, and its aggregate value (which would include the value that may be satisfied by the issue of ESR-REIT Units to the Property Manager) has already been taken into account by ESR-REIT for purposes of Rules 905 and 906 of the Listing Manual. In the PMA Announcement, it was stated that "*the entry into each of the Property Management Agreements with the Property Manager will constitute an "interested person transaction" and an "interested party transaction" under Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, respectively. The ESR-REIT Manager is making this announcement as the Property Management Agreements, aggregated with all other transactions between ESR-REIT and ESR Investment Management Pte. Ltd. or its associates for the current financial year, exceeds 3.0%, but is less than 5.0%, of the latest audited net tangible assets of ESR-REIT*".

Subsequent renewal or extension of the Property Management Agreement with the Property Manager (if any) will be similarly considered and aggregated as interested person transactions under Chapter 9 of the Listing Manual and interested party transactions under paragraph 5 of the Property Funds Appendix.

As regards the Property Management Fees for 1Q2019, which the ESR-REIT Manager proposes to be partially paid in ESR-REIT Units, as stated in ESR-REIT's financial statements announcement for 1Q2019 which was released via SGXNET on 24 April 2019, the Property Management Fees for 1Q2019 to be paid in ESR-REIT Units amounted to S$819,477.59, and based on the Market Price (as referred to in paragraph 4.2(w)(iii) of this Circular) of S$0.5351 per ESR-REIT Unit, this would be equivalent to 1,531,447 ESR-REIT Units to be issued to the Property Manager.

---

11 For this purpose, "**Market Price**" means the volume weighted average traded price for an ESR-REIT Unit (if applicable, of the same Class (as defined in the Amended and Restated Trust Deed)) for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten Business Days (as defined in the Amended and Restated Trust Deed) immediately preceding (and for the avoidance of doubt, including) the end of the relevant calendar quarter which such fees relate to, or if the ESR-REIT Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of an ESR-REIT Unit (which may include, without limitation, instances where the volume of trades in the ESR-REIT Units is very low or there is disorderly trading activity in the ESR-REIT Units), means an amount as determined by the ESR-REIT Manager (after consultation with a Stockbroker (as defined in the Amended and Restated Trust Deed) approved by the ESR-REIT Trustee), and as approved by the ESR-REIT Trustee, as being the fair Market Price of an ESR-REIT Unit.

On 1 August 2019, the SGX-ST granted its approval in-principle for the listing and quotation of the new ESR-REIT Units that may be issued from time to time in payment of the Property Management Fees to the Property Manager, subject to: (a) ESR-REIT's compliance with the SGX-ST's listing requirements; and (b) approval of the Independent ESR-REIT Unitholders (Property Management Fees) being obtained to authorise the issue of ESR-REIT Units in payment of the Property Management Fees to the Property Manager. Such approval by the SGX-ST for the listing and quotation of new ESR-REIT Units on the SGX-ST shall not be taken as an indication of the merits of the Property Management Fees, the new ESR-REIT Units, ESR-REIT and/or its subsidiaries.

## 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL ESR-REIT UNITHOLDERS

### 6.1 Interests of Directors in ESR-REIT Units

The interests of the Directors in ESR-REIT Units, as recorded in ESR-REIT's Register of Directors' Unitholdings as at the Latest Practicable Date, are set out below.

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| **Directors** | **No. of ESR-REIT Units** | **%*** | **No. of ESR-REIT Units** | **%*** | **No. of ESR-REIT Units** | **%*** |
| Mr. Ooi Eng Peng | – | – | – | – | – | – |
| Mr. Bruce Kendle Berry | – | – | – | – | – | – |
| Mr. Philip John Pearce | – | – | – | – | – | – |
| Mr. Jeffrey David Perlman | – | – | – | – | – | – |
| Dr. Leong Horn Kee | 102,400 | 0.003 | – | – | 102,400 | 0.003 |
| Mr. Ronald Lim Cheng Aun | 148,800 | 0.004 | – | – | 148,800 | 0.004 |
| Ms. Stefanie Yuen Thio | – | – | – | – | – | – |
| Mr. Wilson Ang Poh Seong | 3,631,736 | 0.107 | – | – | 3,631,736 | 0.107 |
| Mr. Tong Jinquan | 172,802,987 | 5.113 | 905,633,161 | 26.799 | 1,078,436,148 | 31.912 |
| Mr. Adrian Chui Wai Yin | – | – | – | – | – | – |

**Note:**

* Based on Directors' disclosures in respect of interests in securities.

### 6.2 Interests of Substantial ESR-REIT Unitholders in ESR-REIT Units

The interests of the Substantial ESR-REIT Unitholders in ESR-REIT Units, as recorded in ESR-REIT's Register of Substantial Unitholders as at the Latest Practicable Date, are set out below.

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| **Substantial ESR-REIT Unitholders** | **No. of ESR-REIT Units** | **%*†** | **No. of ESR-REIT Units** | **%*†** | **No. of ESR-REIT Units** | **%*†** |
| Mr. Tong Jinquan | 172,802,987 | 5.11 | 905,633,161[(1)] | 26.80 | 1,078,436,148 | 31.91 |
| Shanghai Summit Pte. Ltd. | – | – | 235,423,283[(2)] | 6.97 | 235,423,283 | 6.97 |
| Wealthy Fountain Holdings Inc | 190,924,226 | 5.65 | –[(3)] | – | 190,924,226 | 5.65 |
| e-Shang Infinity Cayman Limited | 268,088,276 | 7.93 | 31,326,963[(4)] | 0.93 | 299,415,239 | 8.86 |
| e-Shang Jupiter Cayman Limited | – | – | 299,415,239[(5)] | 8.86 | 299,415,239 | 8.86 |
| ESR Cayman Limited | – | – | 299,415,239[(6)] | 8.86 | 299,415,239 | 8.86 |

| Substantial ESR-REIT Unitholders | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| | No. of ESR-REIT Units | %*† | No. of ESR-REIT Units | %*† | No. of ESR-REIT Units | %*† |
| WP OCIM One LLC | – | – | 299,415,239(7) | 8.86 | 299,415,239 | 8.86 |
| WP X Investment VI Ltd. | – | – | 299,415,239(8) | 8.86 | 299,415,239 | 8.86 |
| Warburg Pincus Private Equity X, L.P. | – | – | 299,415,239(9) | 8.86 | 299,415,239 | 8.86 |
| Warburg Pincus X, L.P. | – | – | 299,415,239(10) | 8.86 | 299,415,239 | 8.86 |
| Warburg Pincus LLC | – | – | 299,415,239(11) | 8.86 | 299,415,239 | 8.86 |
| Warburg Pincus X GP L.P. | – | – | 299,415,239(12) | 8.86 | 299,415,239 | 8.86 |
| WPP GP LLC | – | – | 299,415,239(13) | 8.86 | 299,415,239 | 8.86 |
| Warburg Pincus Partners, L.P. | – | – | 299,415,239(14) | 8.86 | 299,415,239 | 8.86 |
| Warburg Pincus Partners GP LLC | – | – | 299,415,239(15) | 8.86 | 299,415,239 | 8.86 |
| Warburg Pincus & Co. | – | – | 299,415,239(16) | 8.86 | 299,415,239 | 8.86 |
| Mr. Charles R. Kaye | – | – | 299,415,239(17) | 8.86 | 299,415,239 | 8.86 |
| Mr. Joseph P. Landy | – | – | 299,415,239(18) | 8.86 | 299,415,239 | 8.86 |

**Notes:**

* Based on Substantial ESR-REIT Unitholders' disclosures in respect of interests in securities.

† The percentage interest is based on ESR-REIT Units in issue as at the Latest Practicable Date, being 3,379,353,443 ESR-REIT Units.

(1) Wealthy Fountain Holdings Inc is holding 190,924,226 ESR-REIT Units, Skyline Horizon Consortium Ltd is holding 13,172,094 ESR-REIT Units and ESR-REIT Manager is holding 31,326,963 ESR-REIT Units. Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd are wholly owned by Shanghai Summit Pte. Ltd. ("**SSPL**"), whereas ESR-REIT Manager is 25% owned by SSPL. Leading Wealth Global Inc ("**LWG**") which is holding 670,209,878 ESR-REIT Units is a wholly-owned subsidiary of Longemont Real Estate Pte. Ltd., which is a wholly-owned subsidiary of Shanghai Summit (Group) Co., Ltd. SSPL and Shanghai Summit (Group) Co., Ltd are wholly owned by Mr. Tong Jinquan. Therefore, Mr. Tong Jinquan is deemed to be interested in the 905,633,161 ESR-REIT Units held by the above mentioned entities.

(2) SSPL is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and owns 25% of ESR-REIT Manager. SSPL is deemed to be interested in the 235,423,283 ESR-REIT Units which Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd and ESR-REIT Manager hold. Skyline Horizon Consortium Ltd holds 13,172,094 ESR-REIT Units directly, Wealthy Fountain Holdings Inc holds 190,924,226 ESR-REIT Units directly and ESR-REIT Manager holds 31,326,963 ESR-REIT Units directly.

(3) Wealthy Fountain Holdings Inc is wholly-owned by Mr. Tong Jinquan through SSPL.

(4) 31,326,963 ESR-REIT Units are held by ESR-REIT Manager, of which 67.3% of the shares are indirectly owned by e-Shang Infinity Cayman Limited.

(5) e-Shang Jupiter Cayman Limited owns the entire issued share capital of e-Shang Infinity Cayman Limited. As e-Shang Jupiter Cayman Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 299,415,239 ESR-REIT Units which e-Shang Infinity Cayman Limited has interests in (the "**Infinity Units**").

(6) ESR Cayman Limited owns 100% of the issued share capital of e-Shang Jupiter Cayman Limited, which in turn owns the entire issued share capital of e-Shang Infinity Cayman Limited. As ESR Cayman Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 299,415,239 Infinity Units.

(7) ESR Cayman Limited has control of e-Shang Infinity Cayman Limited and is deemed to have interests in the 299,415,239 Infinity Units. As WP OCIM One LLC has an interest in more than 20% of the issued share capital of ESR Cayman Limited, it is also deemed to have interests in the 299,415,239 Infinity Units.

(8) WP OCIM One LLC has an interest in more than 20% of the issued share capital of ESR Cayman Limited and is deemed to have interests in the 299,415,239 Infinity Units. As WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC, it is also deemed to have interests in the 299,415,239 Infinity Units.

(9) WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC and is deemed to have interests in the 299,415,239 Infinity Units. As Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd., it is also deemed to have interests in the 299,415,239 Infinity Units.

(10) Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd. and is deemed to have interests in the 299,415,239 Infinity Units. As Warburg Pincus X, L.P. is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, it is also deemed to have interests in the 299,415,239 Infinity Units.

(11) Warburg Pincus X, L.P. is the general partner of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership ("**WPX**") and is deemed to have interests in the 299,415,239 Infinity Units. As Warburg Pincus LLC is the manager having control of WPX, it is also deemed to have interests in the 299,415,239 Infinity Units.

(12) Warburg Pincus X, L.P. ("**WPXGP**") is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, and it is deemed to have interests in the 299,415,239 Infinity Units. As Warburg Pincus X GP L.P. is the general partner having control of WPXGP, it is also deemed to have interests in the 299,415,239 Infinity Units.

(13) Warburg Pincus X GP L.P. ("**WP X GP LP**") is the general partner having control of Warburg Pincus X, L.P., and it is deemed to have interests in the 299,415,239 Infinity Units. As WPP GP LLC is the general partner having control of WP X GP LP, it is also deemed to have interests in the 299,415,239 Infinity Units.

(14) WPP GP LLC ("**WPP GP**") is the general partner having control of Warburg Pincus X GP L.P., and is deemed to have interests in the 299,415,239 Infinity Units. As Warburg Pincus Partners, L.P. is the managing member having control of WPP GP, it is also deemed to have interests in the 299,415,239 Infinity Units.

(15) Warburg Pincus Partners, L.P. ("**WP Partners**") is the managing member having control of WPP GP LLC, and is deemed to have interests in the 299,415,239 Infinity Units. As Warburg Pincus Partners GP LLC is the general partner having control of WP Partners, it is also deemed to have interests in the 299,415,239 Infinity Units.

(16) Warburg Pincus Partners GP LLC ("**WP Partners GP**") is the general partner having control of Warburg Pincus Partners, L.P., and it is deemed to have interests in the 299,415,239 Infinity Units. As Warburg Pincus & Co. is the managing member having control of WP Partners GP, it is also deemed to have interests in the 299,415,239 Infinity Units.

(17) Warburg Pincus & Co. ("**WP**") is the managing member having control of Warburg Pincus Partners GP LLC, and is deemed to have interests in the 299,415,239 Infinity Units. As Charles R. Kaye is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 299,415,239 Infinity Units. Mr. Kaye disclaims beneficial ownership of the 299,415,239 Infinity Units.

(18) Warburg Pincus & Co. ("**WP**") is the managing member having control of Warburg Pincus Partners GP LLC, and is deemed to have interests in the 299,415,239 Infinity Units. As Joseph P. Landy is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 299,415,239 Infinity Units. Mr. Landy disclaims beneficial ownership of the 299,415,239 Infinity Units.

Save as disclosed in this Circular, to the best of the knowledge of the Directors, none of the Directors or Substantial ESR-REIT Unitholders has any interest, direct or indirect, in the proposed Whitewash Resolution, the proposed Extraordinary Resolution for the Proposed Development Management Fee Supplement and authority to issue ESR-REIT Units in payment of the Development Management Fee, the proposed Extraordinary Resolution for the proposed amendment and restatement of the ESR-REIT Trust Deed and/or the proposed Ordinary Resolution for the authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager, or any connection (including any business relationship) with the Property Manager or its directors or substantial shareholders.

## 7. RECOMMENDATIONS

### 7.1 The Proposed Whitewash Resolution

The Relevant Independent Directors (Whitewash) have considered the opinion of the IFA (as set out in the IFA Letter (Whitewash) in Appendix A to this Circular) and the rationale for the Whitewash Resolution as set out in paragraph 2.11 of this Circular, and recommend that the Independent ESR-REIT Unitholders (Whitewash) **VOTE IN FAVOUR** of Resolution 1, being the Whitewash Resolution.

7.2 **The Proposed Development Management Fee Supplement and authority to issue ESR-REIT Units in payment of the Development Management Fee**

The Relevant Independent Directors (Development Management Fee) have considered the opinion of the IFA (as set out in the IFA Letter (Development Management Fee) in Appendix A to this Circular), the rationale for the Proposed Development Management Fee Supplement as set out in paragraph 3.3 of this Circular and all other relevant factors, and recommend that the Independent ESR-REIT Unitholders (Development Management Fee) **VOTE IN FAVOUR** of Resolution 2, being the Extraordinary Resolution relating to the Proposed Development Management Fee Supplement.

7.3 **The Proposed Amendment and Restatement of the ESR-REIT Trust Deed**

The Directors having considered all relevant factors, recommend that ESR-REIT Unitholders **VOTE IN FAVOUR** of Resolution 3, being the Extraordinary Resolution relating to the proposed amendment and restatement of the ESR-REIT Trust Deed.

7.4 **The Authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager**

The Directors, other than Mr. Philip John Pearce who is the CEO of ESR Australia and serves on the boards of ESR Real Estate (Australia) Pty Ltd and ESR Pte Ltd as at the Latest Practicable Date, and Mr. Jeffrey David Perlman, who leads Warburg Pincus's investments in Southeast Asia and serves on the board of, *inter alia*, ESR at the Latest Practicable Date, having considered all relevant factors, recommend that the Independent ESR-REIT Unitholders (Property Management Fees) **VOTE IN FAVOUR** of Resolution 4, being the Ordinary Resolution relating to the authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager. In light of their relationship with the ESR group, Mr. Pearce and Mr. Perlman have abstained from making any recommendation to the Independent ESR-REIT Unitholders (Property Management Fees) on Resolution 4.

**8. ABSTENTIONS FROM VOTING**

8.1 **The Proposed Whitewash Resolution**

Pursuant to the SIC Conditions, the Concert Parties Group (which would include Tong Jinquan, Leading Wealth Global Inc, Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd, Tong Yu Lou, the Sponsor, the ESR-REIT Manager, Ho Lee Group and Mitsui and Co., Ltd.) are required to abstain from voting on Resolution 1, being the Whitewash Resolution.

8.2 **The Proposed Development Management Fee Supplement and authority to issue ESR-REIT Units in payment of the Development Management Fee**

Pursuant to Rule 919 of the Listing Manual, the ESR-REIT Manager and its associates will abstain from voting on Resolution 2 relating to the Proposed Development Management Fee Supplement and authority to issue ESR-REIT Units in payment of the Development Management Fee. e-Shang Infinity Cayman Limited, as an associate of the ESR-REIT Manager, will abstain from voting on Resolution 2 relating to the Proposed Development Management Fee Supplement and authority to issue ESR-REIT Units in payment of the Development Management Fee.

The associates of Shanghai Summit Pte. Ltd., a 25% shareholder of the ESR-REIT Manager, being Mr. Tong Jinquan, Leading Wealth Global Inc, Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd, will also abstain from voting on the said Resolution 2, in light of Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

On 8 August 2019, the SGX-ST and the Monetary Authority of Singapore ruled that Mitsui and Co., Ltd. would be required to abstain from voting on the said Resolution 2, for the reasons that Mitsui and Co., Ltd. is a shareholder of the ESR-REIT Manager and has an interest (other than in its capacity as an ESR-REIT Unitholder) in the outcome of Resolution 2.

Further, each of them shall decline to accept appointment as proxy to attend and vote at the EGM in respect of the said Resolution 2 unless the ESR-REIT Unitholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast.

8.3 **The Authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager**

In accordance with Rule 812(2) of the Listing Manual, e-Shang Infinity Cayman Limited and the ESR-REIT Manager, as associates of the Property Manager, will abstain from voting on Resolution 4 relating to the authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager. Also, in accordance with Rule 919 of the Listing Manual, e-Shang Infinity Cayman Limited and the ESR-REIT Manager, as associates of an interested person being the Property Manager, will abstain from voting on Resolution 4.

Further, each of them shall decline to accept appointment as proxy to attend and vote at the EGM in respect of the said Resolution 4 unless the ESR-REIT Unitholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast.

8.4 ESR-REIT will disregard any votes cast on a resolution by persons required to abstain from voting thereon.

## 9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at 10.00 a.m. on 12 September 2019 (Thursday) at Suntec Singapore International Convention & Exhibition Centre, Room 334 – 336, 1 Raffles Boulevard, Suntec City, Singapore 039593 for the purpose of considering and, if thought fit, passing, the resolutions set out in the Notice of EGM.

A depositor shall not be regarded as an ESR-REIT Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have ESR-REIT Units entered against his name in the Depository Register, as certified by CDP as at 72 hours before the EGM.

## 10. ACTION TO BE TAKEN BY ESR-REIT UNITHOLDERS

An ESR-REIT Unitholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, may complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach ESR-REIT's Unit Registrar's office at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not later than 10.00 a.m. on 9 September 2019

(Monday). The completion and return of the proxy form by an ESR-REIT Unitholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Whitewash Resolution, the Proposed Development Management Fee Supplement and authority to issue ESR-REIT Units in payment of the Development Management Fee, the proposed amendment and restatement of the ESR-REIT Trust Deed, the authority to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager, and the ESR-REIT Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reflected or reproduced in this Circular in its proper form and context.

## 12. SOLE FINANCIAL ADVISER AND COORDINATOR'S RESPONSIBILITY STATEMENT

To the best of the Sole Financial Adviser and Coordinator's knowledge and belief, the information about the Preferential Offering contained in this Circular (in particular, in the Overview section and paragraph 2 of this Circular) constitutes full and true disclosure of all material facts about the Preferential Offering, and the Sole Financial Adviser and Coordinator is not aware of any facts the omission of which would make any statement about the Preferential Offering in this Circular misleading.

## 13. CONSENTS

KPMG Corporate Finance Pte Ltd, the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letters and all references thereto, in the form and context in which they are included in this Circular, and to act in such capacity in relation to this Circular.

RHB Securities Singapore Pte. Ltd., the Sole Financial Adviser and Coordinator, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Circular, and to act in such capacity in relation to this Circular.

The legal adviser to the ESR-REIT Manager, WongPartnership LLP, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Circular, and to act in such capacity in relation to this Circular.

The legal adviser to the ESR-REIT Trustee, Dentons Rodyk & Davidson LLP, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Circular, and to act in such capacity in relation to this Circular.

Each of WongPartnership LLP and Dentons Rodyk & Davidson LLP does not make, or purport to make, any statement in this Circular or any statement upon which a statement in this Circular is based and makes no representation express or implied regarding, and to the maximum extent permitted by law expressly disclaims and takes no responsibility for, any statements, information or opinion in or any omission from this Circular.

## 14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (prior appointment would be appreciated) at the registered office of the ESR-REIT Manager at 138 Market Street #26-03/04 CapitaGreen, Singapore 048946 from the date of this Circular up to and including the date falling three (3) months after the date of this Circular:

(a) the Amended and Restated Trust Deed;

(b) the Property Management Agreement;

(c) the Option Agreement;

(d) the Sponsor Undertaking;

(e) the IFA Letters;

(f) the written consent of the IFA;

(g) the written consent of the Sole Financial Adviser and Coordinator;

(h) the written consent of the legal adviser to the ESR-REIT Manager; and

(i) the written consent of the legal adviser to the ESR-REIT Trustee.

The existing ESR-REIT Trust Deed will be available for inspection during normal business hours at the registered office of the ESR-REIT Manager for so long as ESR-REIT is in existence.

Yours faithfully

**ESR Funds Management (S) Limited**
As manager of ESR-REIT
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-5)

Adrian Chui
Chief Executive Officer and Executive Director
21 August 2019

# APPENDIX A

# IFA LETTERS

The Relevant Independent Directors (Whitewash)
ESR Funds Management (S) Limited
(as the manager of ESR-REIT)
138 Market Street #26-03/04
CapitaGreen
Singapore 048946

RBC Investor Services Trust Singapore Limited
(as the trustee of ESR-REIT) (the "ESR-REIT Trustee")
8 Marina View #26-01
Asia Square Tower 1
Singapore 018960

21 August 2019

Dear Sirs

**INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE TERMS OF THE PREFERENTIAL OFFERING, BEING THE SUBJECT OF THE WHITEWASH RESOLUTION**

*For the purpose of this letter (the "**IFA Letter (Whitewash**"), capitalised terms not otherwise defined herein shall have the same meaning as given in the circular to the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**") dated* 21 *August 2019 (the "**Circular**").*

## 1. INTRODUCTION

On 17 June 2019, the ESR-REIT Manager announced a proposed equity fund raising to raise gross proceeds of up to approximately S$150.0 million, comprising an offering of new ESR-REIT Units ("**New Units**") by way of:

(a) a private placement of up to approximately 195.0 million New Units (the "**Private Placement**") to raise gross proceeds of not less than approximately S$75.0 million, subject to an upsize option to raise additional gross proceeds such that the total gross proceeds of the Private Placement will amount to not more than approximately S$100.0 million; and

(b) a non-renounceable preferential offering of New Units (the "**Preferential Offering**") to the existing ESR-REIT Unitholders on a *pro rata* basis to raise gross proceeds of not more than approximately S$75.0 million,

(together, the "**Equity Fund Raising**").

As announced by the ESR-REIT Manager on 26 June 2019, approximately 194.2 million New Units were issued under the Private Placement at an issue price of S$0.515 per New Unit, to raise gross proceeds of approximately S$100.0 million.

The ESR-REIT Manager has no intention of raising aggregate gross proceeds from the Equity Fund Raising in excess of approximately S$150.0 million. As gross proceeds of approximately S$100.0 million have been raised from the Private Placement, the gross proceeds from the Preferential Offering will accordingly be not more than approximately S$50.0 million.

To demonstrate its support for ESR-REIT and the Equity Fund Raising, ESR Cayman Limited (the "**Sponsor**") has provided an undertaking to the ESR-REIT Manager (the "**Sponsor Undertaking**") that it will:

(a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and

(b) (subject to approval of the Whitewash Resolution, apply, or procure the application, for such number of excess New Units, to the extent they remain unsubscribed after satisfaction of all applications (if any) for excess New Units by ESR-REIT Unitholders (other than the Sponsor) (the "**Sponsor Excess Application**"), provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.

An application was made to the Securities Industry Council of Singapore (the "**SIC")** on 31 May 2019 (and updated on 21 June 2019) for the waiver of the obligation of the Concert Parties Group to make a Mandatory Offer under Rule 14 of the Take-over Code should the obligation to do so arise as a result of the Preferential Offering and the Sponsor Undertaking. On 15 July 2019, the SIC granted a waiver of the obligation of the Concert Parties Group to make a Mandatory Offer under Rule 14 of the Take-over Code (the "**SIC Waiver**") subject to, inter alia, the majority of the Independent ESR-REIT Unitholders (Whitewash) approving the Whitewash Resolution at a general meeting.

Following from the SIC Waiver, the ESR-REIT Manager is seeking approval from Independent ESR-REIT Unitholders (Whitewash) for a waiver of their right to receive a Mandatory Offer from the Concert Parties Group for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired by the Concert Parties Group in the event that the Concert Parties Group's ownership interest increases in excess of the threshold pursuant to Rule 14.1(b) of the Take-over Code following the Preferential Offering.

KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser ("**Independent Financial Adviser**" or "**IFA**") to advise the Relevant Independent Directors (Whitewash) and the ESR-REIT Trustee as to whether the terms of the Preferential Offering, being the subject of the Whitewash Resolution, are fair and reasonable.

This IFA Letter (Whitewash) to be included in the Circular sets out, inter alia, our evaluation of the Whitewash Resolution and our advice to the Relevant Independent Directors (Whitewash) and the ESR-REIT Trustee.

## 2. TERMS OF REFERENCE

Our responsibility is to provide the opinion as to whether the terms of the Preferential Offering, being the subject of the Whitewash Resolution, are fair and reasonable (the "**Opinion**").

Our Opinion is delivered for the use and benefit of the addressees of this IFA Letter (Whitewash) (as appropriate) (the "**Addressees**") for their deliberations on the Whitewash Resolution, before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the Whitewash Resolution, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Relevant Independent Directors (Whitewash) to proceed with the same. The decisions of and recommendations made by the Relevant Independent Directors (Whitewash) shall remain their sole responsibility.

We have not conducted a comprehensive review of the business, operations or financial condition of ESR-REIT. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Whitewash Resolution, or on the future prospects of ESR-REIT and as such, we do not express opinions thereon. Such evaluations or comments remain the sole responsibility of the Relevant Independent Directors (Whitewash).

It is also not within our terms of reference to compare the relative merits of the Whitewash Resolution to any alternative transactions previously considered by, or that may have been available to, ESR-REIT or any alternative transactions that may be available in the future. Such evaluations or comments remain the sole responsibility of the Relevant Independent Directors (Whitewash), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our Opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of ESR-REIT.

In formulating our Opinion, we have held discussions with the directors of the ESR-REIT Manager (the "**Directors**") and its management team. We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the ESR-REIT Manager and its professional advisers, which may include solicitors, auditors, tax advisers and valuers. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have relied upon the representation of the Directors (including those who may have delegated detailed supervision of the Circular) that they have confirmed after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true

disclosure of all material facts about the proposed Whitewash Resolution and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. The Directors have jointly and collectively accepted responsibility in the "Directors' Responsibility Statement" of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our Opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on the latest practicable date prior to the printing of the Circular, being 13 August 2019 (the "**Latest Practicable Date**"). Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our Opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our Opinion contained herein.

In rendering our Opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any ESR-REIT Unitholder. As different ESR-REIT Unitholders would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any ESR-REIT Unitholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The ESR-REIT Manager has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter (Whitewash)). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter (Whitewash) and references thereto in the Circular). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter (Whitewash)).

Our Opinion should be considered in the context of the entirety of this IFA Letter (Whitewash) and the Circular.

## 3. EVALUATION OF THE WHITEWASH RESOLUTION

In arriving at our Opinion in relation to the Whitewash Resolution, we have taken into account the following key factors:

### 3.1 Rationale for the Whitewash Resolution

The following rationale has been extracted from section 2.11 of the Circular:

*"The Whitewash Resolution is to enable the Sponsor to (a) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (b) (subject to approval of the Whitewash Resolution) undertake the Sponsor Excess Application, provided that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million.*

*The ESR-REIT Manager is of the view that the Sponsor should not be treated differently from any other ESR-REIT Unitholder and should be given the opportunity to apply for excess New Units. In addition, the application by the Sponsor for excess New Units will further demonstrate the Sponsor's support for and confidence in the Preferential Offering (and the proposed use of proceeds) and its long-term commitment to ESR-REIT, as well as align the interests of the Sponsor with those of other ESR-REIT Unitholders, thereby enhancing the chances of a successful Preferential Offering.*

*The ESR-REIT Manager wishes to highlight that in the allotment of excess New Units under the Preferential Offering, preference will be given to the rounding of odd lots, followed by allotment to the ESR-REIT Unitholders who are neither Directors nor Substantial ESR-REIT Unitholders who have control or influence over ESR-REIT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of Directors. The Sponsor, the Sponsor's wholly-owned subsidiaries, the Directors and other Substantial ESR-REIT Unitholders who have control or influence over ESR-REIT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority."*

The rationale has been reviewed and is considered to be reasonable.

### 3.2 Preferential Offering New Units offered on a pro rata and non-renounceable basis

The New Units under the Preferential Offering will be offered on a pro rata basis. Hence, Independent ESR-REIT Unitholders (Whitewash) are not being prejudiced in the allocation of the New Units offered under the Preferential Offering.

The New Units would also be offered on a non-renounceable basis. Therefore entitled ESR-REIT Unitholders will not be able to trade or renounce their provisional allotments of New Units.

### 3.3 Pricing of New Units

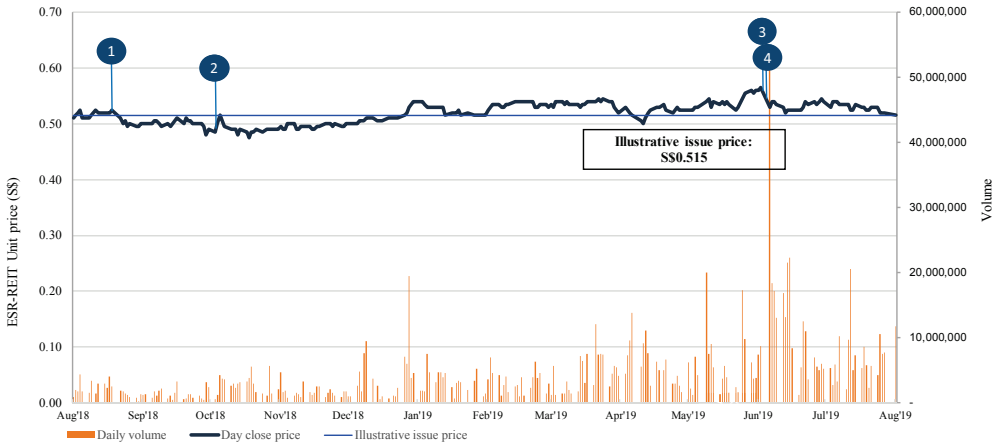
The ESR-REIT Manager will work with the Sole Financial Adviser and Coordinator to determine the structure of and time schedule for the Preferential Offering and the Preferential Offering Issue Price, after taking into account market conditions and other factors that the ESR-REIT Manager and the Sole Financial Adviser and Coordinator may consider relevant.

Whilst at the discretion of the ESR-REIT Manager and the Sole Financial Adviser and Coordinator, we note that the structure of and time schedule for the Preferential Offering and the Preferential Offering Issue Price will be determined in accordance with, among others, Chapter 8 of the Listing Manual. The Preferential Offering Issue Price will comply with Rule 816(2)(a)(ii) of the Listing Manual, and will not be at more than 10.0% discount to the volume-weighted average price for trades done on the SGX-ST for the full market day on which the Preferential Offering is announced, or (if trading in the ESR-REIT Units is not available for a full market day) for the preceding market day up to the time the Preferential Offering is announced.

**Historical price performance of ESR-REIT Units**

We set out a historical chart based on the daily closing prices and trading volumes of the ESR-REIT Units for the 12-month period up to 13 August 2019, being the Latest Practicable Date, and have compared this to the illustrative issue price of S$0.515 per New Unit.

*Exhibit 1: Price and trading volume performance of ESR-REIT Units relative to illustrative issue price of S$0.515 per New Unit.*




*Source: Capital IQ*

**Notes**

(1) ESR-REIT Unitholders vote in favor of the proposed merger with Viva Industrial Trust (proposed merger first announced by ESR-REIT and Viva Industrial Trust on 29 January 2018) at the Extraordinary General Meeting held on 31 August 2018.

(2) ESR-REIT announces the effective date of the merger with Viva Industrial Trust on 15 October 2018 resulting in 1,585,021,648 of new units issued in connection with the merger.

(3) 14 June 2019, determined as the latest undisturbed trading date, prior to the announcement of the Proposed Private Placement on 17 June 2019 ("**Latest Undisturbed Trading Date**").

(4) ESR-REIT announces the Proposed Private Placement at an issue price of between S$0.515 and S$0.525 per Private Placement New Unit to raise gross proceeds of up to S$100.0 million on 17 June 2019. Subsequently, ESR-REIT announces results of the Private Placement and Pricing of New Units under the Private Placement on 18 June 2019 resulting in 194,174,000 new units issued at an offer price of S$0.515 per unit.

We set out below the daily volume weighted average price ("**VWAP**") of ESR-REIT Units for varying time periods compared to the illustrative issue price of S$0.515 per New Unit.

*Exhibit 2: VWAP of ESR-REIT Units for the relevant reference periods relative to the illustrative issue price of S$0.515 per New Unit*

| **Illustrative issue price: S$0.515** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Reference period** | **VWAP (S$)** | **Premium/ (Discount) of illustrative issue price to VWAP (%)** | **Lowest unit price (S$)** | **Highest unit price (S$)** | **Total volume traded (mm)** | **Average daily trading volume (mm)[1]** | **Average daily trading volume (ADTV) as a percentage of free float (%)[2]** |
| *For the periods up to and including the Latest Undisturbed Trading Date:* | | | | | | | |
| As at the Latest Undisturbed Trading Date | 0.565 | (8.8%) | 0.555 | 0.565 | 8.69 | 8.69 | 0.5% |
| One-month prior | 0.544 | (5.3%) | 0.520 | 0.565 | 131.78 | 6.28 | 0.4% |
| Three-months prior | 0.534 | (3.6%) | 0.500 | 0.565 | 345.04 | 5.57 | 0.3% |
| Six-months prior | 0.531 | (3.0%) | 0.495 | 0.565 | 562.28 | 4.61 | 0.3% |
| 12-months prior | 0.522 | (1.3%) | 0.470 | 0.565 | 786.12 | 3.17 | 0.2% |
| *For the periods up to and including the Latest Practicable Date:* | | | | | | | |
| As at the Latest Practicable Date | 0.515 | 0.0% | 0.510 | 0.520 | 11.74 | 11.74 | 0.7% |
| One-month prior | 0.528 | (2.5%) | 0.510 | 0.545 | 141.65 | 7.08 | 0.4% |
| Three-months prior | 0.534 | (3.6%) | 0.510 | 0.565 | 522.77 | 8.57 | 0.5% |
| Six-months prior | 0.532 | (3.2%) | 0.500 | 0.565 | 802.50 | 6.58 | 0.4% |
| 12-months prior | 0.526 | (2.1%) | 0.470 | 0.565 | 1,117.92 | 4.53 | 0.3% |

*Source: Capital IQ*

**Notes**

(1) The average daily volume of the ESR-REIT Units is calculated based on the total volume of ESR-REIT Units traded during the period divided by the number of market days during the period.

(2) Free float refers to the ESR-REIT Units other than those held by Insiders and Directors, Strategic 5% Holders (a principal investing firm which owns more than 5% of ESR-REIT) and Other Strategic Holders of ESR-REIT during the period, as defined in Capital IQ.

Based on the table above, we observe that:

For the periods up to and including the Latest Undisturbed Trading Date:

(i) The relevant VWAPs of ESR-REIT Units ranged from S$0.522 to S$0.565, and the trading liquidity of ESR-REIT as measured by the ADTV/free float of the respective reference period ranged from 0.2% to 0.5%; and

(ii) The discount of the illustrative issue price to the VWAP of ESR-REIT Units ranged from 1.3% to 8.8% for the various periods from 12-months to the Latest Undisturbed Trading Date.

For the periods up to and including the Latest Practicable Date:

(i) The relevant VWAPs of ESR-REIT Units ranged from S$0.515 to S$0.534, and the trading liquidity of ESR-REIT as measured by the ADTV/free float as at the Latest Practicable Date ranged from 0.3% to 0.7%; and

(ii) The discount of the illustrative issue price to the VWAP of ESR-REIT Units ranged from 0.0% to 3.6% for the various periods from 12-months to the Latest Practicable Date.

*ESR-REIT Unitholders are advised that the past trading performance of the ESR-REIT Units should not, in any way, be relied upon as an indication or promise of its future trading performance.*

### 3.3.1 Statistics of precedent non-renounceable rights issues

In assessing the reasonableness of the illustrative issue price of S$0.515 per New Unit, we have reviewed the salient statistics of completed non-renounceable rights issues undertaken by entities listed on the SGX-ST announced from 14 August 2016 and up to the Latest Practicable Date to provide, *inter alia*, a comparison of the relevant discount to theoretical ex-rights prices.

We would note that the circumstances of each entity are unique and that these entities may not be identical to ESR-REIT in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects and other criteria. Further the list of precedent non-renounceable rights issues is by no means exhaustive and information relating to the said entities was compiled from publicly available information. Therefore, any comparison serves as an illustrative guide only.

| Name of entity | Announcement date | Basis of rights issue | Issue price per rights security | Last traded price prior to announcement | Theoretical Ex-Rights Price ("TERP") | Premium / (discount) of issue price to TERP (%) |
|---|---|---|---|---|---|---|
| Soilbuild Business Space REIT | 19-Aug-16 | 1 for 10 | S$0.6300 | S$0.6750 | S$0.6814 | (7.54) |
| Mapletree Logistics Trust | 28-Aug-17 | 1 for 10 | S$1.1450 | S$1.1990 | S$1.2026 | (4.79) |
| ESR-REIT | 27-Feb-18 | 199 for 1000 | S$0.5400 | S$0.5740 | S$0.5742 | (5.95) |
| Frasers Logistics & Industrial Trust | 23-Apr-18 | 1 for 10 | S$0.9670 | S$1.0420 | S$1.0375 | (6.80) |
| Manulife US Real Investment Trust | 16-May-18 | 22 for 100 | USD 0.8650 | USD 0.9260 | USD 0.9257 | (6.56) |
| International Press Softcom Limited | 1-Jun-18 | 2 for 3 | S$0.0110 | S$0.0120 | S$0.0116 | (5.17) |
| First Ship Lease Trust | 26-Nov-18 | 3 for 2 | S$0.0450 | S$0.0660 | S$0.0534 | (15.70) |
| **Min discount** | | | | | | **(4.79)** |
| **Max discount** | | | | | | **(15.70)** |
| **Median** | | | | | | **(6.56)** |
| **Mean** | | | | | | **(7.50)** |

| ESR-REIT | Illustrative issue price | ESR-REIT Unit price | Theoretical ex-rights price (TERP) | Premium / (discount) of illustrative issue price to TERP (%) |
|---|---|---|---|---|
| ***Based on Latest Undisturbed Trading Date*** | **S$0.5150** | **S$0.5650[1]** | **S$0.5608[2]** | **(8.17)** |
| ***Based on Latest Practicable Date*** | **S$0.5150** | **S$0.5150[3]** | **S$0.515[4]** | **0.00** |

*Source: Capital IQ, announcements and/or circulars of the respective companies and KPMG analysis*

**Notes**

(1) ESR-REIT Unit price and TERP are based on Latest Undisturbed Trading Date.

(2) TERP is calculated as follows:

(Market capitalisation of ESR-REIT as at Latest Undisturbed Trading Date + Private Placement gross proceeds + Preferential Offering gross proceeds) / ESR-REIT Units in issue assuming completion of the Private Placement and the Preferential Offering

(3) ESR-REIT Unit Price and TERP are based on Latest Practicable Date.

(4) TERP is calculated as follows:

(Market capitalisation of ESR-REIT as at Latest Practicable Date + Preferential Offering gross proceeds) / ESR-REIT Units in issue assuming completion of the Preferential Offering

Based on the analysis above, we observe the following:

For ESR-REIT Unit Price and TERP based on Latest Undisturbed Trading Date:

(i) The discount of the illustrative price of $0.5150 to the ESR-REIT TERP of approximately 8.17% is within range and higher than the mean and median discount of the completed non-renounceable rights issues.

For ESR-REIT Unit Price and TERP based on Latest Practicable Date:

(i) The discount of the illustrative price of $0.5150 to the ESR-REIT TERP of approximately 0.00% is outside of the range of the completed non-renounceable rights issues.

### 3.4 Potential dilution arising from the Preferential Offering

The Preferential Offering is offered on a pro rata basis and will not result in any unitholding dilution of the Independent ESR-REIT Unitholders (Whitewash) if all Independent ESR-REIT Unitholders (Whitewash) subscribe for their full entitlements of New Units under the Preferential Offering. A dilution effect will occur for the Independent ESR-REIT Unitholders (Whitewash) who do not subscribe for their full entitlements of the New Units under the Preferential Offering.

The details of the illustrative potential dilution arising from the Preferential Offering is found in section 2.9 of the Circular and is extracted beneath:

*"For illustrative purposes, the following table sets out the respective unitholdings of the Concert Parties Group, assuming that:*

*(a) the Equity Fund Raising comprises a Preferential Offering, where approximately 97.1 million New Units are issued pursuant to the Preferential Offering at an illustrative Preferential Offering Issue Price of S$0.515 per New Unit to raise gross proceeds of approximately S$50.0 million;*

*(b) the Sponsor accepts, or procures the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement, and is allotted such number of excess New Units such that the Sponsor's and the ESR-REIT Manager's total subscription under the Preferential Offering will not exceed S$50.0 million;*

*(c) the members of the Concert Parties Group (other than the Sponsor) accept, in full, the provisional allocation of New Units under the Preferential Offering based on their respective entitlements; and*

*(d) persons who do not belong to the Concert Parties Group do not participate in the Preferential Offering."*

| | As at the Latest Practicable Date | | | |
|---|---|---|---|---|
| | Before the Preferential Offering | | After the Preferential Offering | |
| | No. of ESR-REIT Units | % | No. of ESR-REIT Units | % |
| Issued ESR-REIT Units | 3,379,353,443 | 100.0 | 3,476,440,821 | 100.0 |
| Tong Jinquan | 172,802,987 | 5.1 | 177,767,543 | 5.1 |
| Leading Wealth Global Inc | 670,209,878 | 19.8 | 689,464,721 | 19.8 |
| Wealthy Fountain Holdings Inc | 190,924,226 | 5.6 | 196,409,397 | 5.6 |
| Skyline Horizon Consortium Ltd | 13,172,094 | 0.4 | 13,550,523 | 0.4 |
| Tong Yu Lou | 29,138,200 | 0.9 | 29,975,328 | 0.9 |
| The Sponsor[1] | 268,088,276 | 7.9 | 330,044,729 | 9.5 |
| The ESR-REIT Manager | 31,326,963 | 0.9 | 32,226,973 | 0.9 |
| Ho Lee Group | 88,807,378 | 2.6 | 91,358,776 | 2.6 |
| Mitsui and Co., Ltd. | 26,432,353 | 0.8 | 27,191,743 | 0.8 |
| **Concert Parties Group** | **1,490,902,355** | **44.1** | **1,587,989,733** | **45.7** |
| | | | | |
| **Other minority ESR-REIT Unitholders** | **1,888,451,088** | **55.9** | **1,888,451,088** | **54.3** |

In the event the Whitewash Resolution is passed by a majority of the Independent ESR-REIT Unitholders (Whitewash), the Concert Parties Group may potentially increase their aggregate unitholding in ESR-REIT to 45.7%. Independent ESR-REIT Unitholders (Whitewash) should note that the Concert Parties Group will continue to be subject to the obligations under Rule 14 of the Take-over Code to make a general offer if it was to increase its voting rights in ESR-REIT by more than 1.0% in any period of six months.

### 3.5 Other relevant considerations

#### 3.5.1 The Preferential Offering relying on the existing general mandate

The ESR-REIT Manager has relied and will be relying on the general mandate given by the ESR-REIT Unitholders at the most recent annual general meeting of ESR-REIT held on 24 April 2019 for the issue of the New Units pursuant to the Private Placement and the Preferential Offering respectively. Therefore, the ESR-REIT Manager does not intend to seek the specific approval of ESR-REIT Unitholders for the issue of the New Units pursuant to the Equity Fund Raising.

#### 3.5.2 Potential increase in trading liquidity of the ESR-REIT Units

The New Units to be issued pursuant to the Equity Fund Raising will increase the number of ESR-REIT Units in issue. This increase in the total number of ESR-REIT Units in issue and the enlarged ESR-REIT Unitholder base are expected to improve the trading liquidity of the ESR-REIT Units.

[1] *ESR-REIT Units are held by e-Shang Infinity Cayman Limited, a 100% indirect subsidiary of the Sponsor.*

### 3.5.3 Use of Proceeds

It was stated in the EFR Launch Announcement that, subject to relevant laws and regulations, on the basis that the ESR-REIT Manager will raise gross proceeds of approximately S$150.0 million from the Equity Fund Raising, the ESR-REIT Manager intends to use the gross proceeds in the following manner:

(i) approximately S$44.4 million (which is equivalent to approximately 29.6% of the gross proceeds of the Equity Fund Raising) to fully finance the Total Acquisition Costs;

(ii) approximately S$45.7 million (which is equivalent to approximately 30.5% of the gross proceeds of the Equity Fund Raising) to fully finance the Proposed Asset Enhancement Initiatives;

(iii) approximately S$56.8 million (which is equivalent to approximately 37.9% of the gross proceeds of the Equity Fund Raising) for the Debt Repayment; and

(iv) approximately S$3.1 million (which is equivalent to approximately 2.0% of the gross proceeds of the Equity Fund Raising) to pay the transaction-related expenses including the estimated underwriting and selling commission and expenses related to the Equity Fund Raising.

It was further stated in the Results of Private Placement Announcement that based on the timing requirements for the funding of the Proposed Acquisition, Proposed Asset Enhancement Initiatives and Debt Repayment, subject to relevant laws and regulations, the ESR-REIT Manager intends to use the gross proceeds of approximately S$100.0 million from the Private Placement in the following manner:

(i) approximately S$44.4 million (which is equivalent to approximately 44.4% of the gross proceeds of the Private Placement) to fully finance the Total Acquisition Costs;

(ii) approximately S$26.2 million (which is equivalent to approximately 26.2% of the gross proceeds of the Private Placement) to partially finance the Proposed Asset Enhancement Initiatives;

(iii) approximately S$26.3 million (which is equivalent to approximately 26.3% of the gross proceeds of the Private Placement) to partially finance the Debt Repayment; and

(iv) approximately S$3.1 million (which is equivalent to approximately 3.1% of the gross proceeds of the Private Placement) to pay the transaction-related expenses including the estimated underwriting and selling commission and expenses related to the Equity Fund Raising.

The Proposed Acquisition was completed on 7 August 2019.

As at the Latest Practicable Date, out of the gross proceeds of approximately S$100.0 million from the Private Placement, approximately S$72.6 million (which is equivalent to approximately 72.6% of the gross proceeds of the Private Placement) has been used in the following manner:

(i) approximately S$44.4 million (which is equivalent to approximately 44.4% of the gross proceeds of the Private Placement) to fully finance the Total Acquisition Costs;

(ii) approximately S$26.3 million (which is equivalent to approximately 26.3% of the gross proceeds of the Private Placement) to partially finance the Debt Repayment; and

(iii) approximately S$1.9 million (which is equivalent to approximately 1.9% of the gross proceeds of the Private Placement) to pay for the transaction-related expenses including the estimated underwriting and selling commission and expenses related to the Equity Fund Raising.

For clarity, the ESR-REIT Manager will announce details of the utilisation of the balance of the gross proceeds from the Private Placement as well as the intended utilisation of the proceeds of the Preferential Offering at the appropriate time.

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Proposed Asset Enhancement Initiatives do not proceed for whatever reason, the ESR-REIT Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, for funding capital expenditures.

### 3.5.4 Allotment of excess New Units under the Preferential Offering

In the allotment of excess New Units under the Preferential Offering, preference will be given to the rounding of odd lots, followed by allotment to the ESR-REIT Unitholders who are neither Directors nor Substantial ESR-REIT Unitholders who have control or influence over ESR-REIT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of Directors. The Sponsor, the Sponsor's wholly-owned subsidiaries, the Directors and other Substantial ESR-REIT Unitholders who have control or influence over ESR-REIT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority.

### 3.5.5 Abstention from Voting

Pursuant to the SIC Conditions, the Concert Parties Group (which would include Tong Jinquan, Leading Wealth Global Inc, Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd, Tong Yu Lou, ESR Cayman Limited, the ESR-REIT Manager, Ho Lee Group and Mitsui and Co., Ltd.) are required to abstain from voting on Resolution 1, being the Whitewash Resolution.

## 4. OUR OPINION

Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the terms of the Preferential Offering, being the subject of the Whitewash Resolution, are fair and reasonable.

Accordingly, we advise the Relevant Independent Directors (Whitewash) to recommend that Independent ESR-REIT Unitholders (Whitewash) vote in favour of the Whitewash Resolution.

This Opinion is addressed to the Relevant Independent Directors (Whitewash) and the ESR-REIT Trustee for their use and benefit, in connection with and for the purpose of their consideration of the Whitewash Resolution. The recommendations to be made by the Relevant Independent Directors (Whitewash) to the Independent ESR-REIT Unitholders (Whitewash) shall remain their responsibility.

A copy of this IFA Letter (Whitewash) may be reproduced in the Circular.

This Opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of

**KPMG Corporate Finance Pte Ltd**

The Relevant Independent Directors (Development Management Fee) and the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager of
ESR Funds Management (S) Limited
(as the manager of ESR-REIT)
138 Market Street #26-03/04
CapitaGreen
Singapore 048946

RBC Investor Services Trust Singapore Limited
(as the trustee of ESR-REIT) (the "ESR-REIT Trustee")
8 Marina View
#26-01 Asia Square Tower 1
Singapore 018960

21 August 2019

Dear Sirs

**INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT**

*For the purpose of this letter (the "**IFA Letter (Development Management Fee)**"), capitalised terms not otherwise defined herein shall have the same meaning given as in the circular to the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**") dated 21 August 2019 (the "**Circular**").*

## 1. INTRODUCTION

ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**") proposes to supplement the ESR-REIT Trust Deed ("**Proposed Development Management Fee Supplement**") by introducing a development management fee ("**Development Management Fee**") payable to the ESR-REIT Manager for the purpose of facilitating the undertaking of Development Projects by the ESR-REIT Manager on behalf of ESR-REIT.

The ESR-REIT Manager is therefore seeking approval from the Independent ESR-REIT Unitholders (Development Management Fee) for the Proposed Development Management Fee Supplement.

The ESR-REIT Manager is considered an "interested party" of ESR-REIT for the purposes of the Property Funds Appendix and an "interested person" of ESR-REIT for the purposes of Chapter 9 of the Listing Manual. Accordingly, the proposed entry into the Proposed Development

Management Fee Supplement is an interested person transaction under Chapter 9 of the Listing Manual.

KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser (the "**IFA**") to advise the directors of the ESR-REIT Manager who are considered independent for the purposes of the Proposed Development Management Fee Supplement (the "**Relevant Independent Directors (Development Management Fee)**"), the Audit, Risk Management and Compliance Committee of ESR Funds Management (S) Limited (the "**ARCC**") and RBC Investor Services Trust Singapore Limited (as trustee of ESR-REIT) (the "**ESR-REIT Trustee**") as to whether the Proposed Development Management Fee Supplement is on normal commercial terms and not prejudicial to the interests of ESR-REIT and its minority ESR-REIT Unitholders.

## 2. TERMS OF REFERENCE

KPMG Corporate Finance has been appointed as the IFA to advise the Relevant Independent Directors (Development Management Fee), the ARCC and the ESR-REIT Trustee as to whether the Proposed Development Management Fee Supplement is on normal commercial terms and not prejudicial to the interests of ESR-REIT and its minority ESR-REIT Unitholders. We were neither a party to any negotiations in relation to the Proposed Development Management Fee Supplement, nor were we involved in any deliberations leading up to the decision to approve the amendment and any subsequent related actions.

This IFA Letter (Development Management Fee) is addressed to the Relevant Independent Directors (Development Management Fee), the ARCC and the ESR-REIT Trustee for their benefit in connection with and for the purposes of their consideration of the Proposed Development Management Fee Supplement, and any recommendations made by them to the Independent ESR-REIT Unitholders (Development Management Fee) shall remain the responsibility of the Relevant Independent Directors (Development Management Fee) and the ARCC.

Our terms of reference do not require us to evaluate or comment on the legal, commercial and financial risks and/or merits of the Proposed Development Management Fee Supplement. Such evaluations or comments, if any, remain the responsibility of the directors and managers of the ESR-REIT Manager, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter (Development Management Fee).

We are not obliged, and we have not solicited, any indications of interest from any third party with respect to any other proposal similar to or in lieu of the Proposed Development Management Fee Supplement. We are therefore not addressing the relative merits of them as compared to any alternative transaction (if any) previously considered by ESR-REIT and/or which otherwise may be available to ESR-REIT in the future.

In rendering advice in relation to the Proposed Development Management Fee Supplement, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Independent ESR-REIT Unitholders (Development Management Fee). As each Independent ESR-REIT Unitholders (Development Management Fee) would have different investment objectives and profiles, we would advise the Relevant Independent Directors (Development Management Fee) and the ARCC to recommend that any individual Independent ESR-REIT Unitholders (Development Management Fee) who may require specific advice in the context of his specific investment objectives or portfolio to consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

In arriving at our opinion, we have conducted discussions with the directors and managers of the ESR-REIT Manager, and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by ESR-REIT and its other

professional advisers. We have relied upon and assumed the accuracy without having independently verified such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information and representations made to us.

The information which we relied on was based upon market, economic, industry, monetary and other conditions prevailing as at 13 August 2019 (the "**Latest Practicable Date**"). The information and circumstances may change significantly over a relatively short period of time. We assume no responsibility to update, revise, or affirm our opinion in light of any subsequent development after the Latest Practicable Date, even if such subsequent developments may affect our opinion contained herein.

We have relied upon the representation of the Directors (including those who may have delegated detailed supervision of the Circular) that they have confirmed after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Development Management Fee Supplement, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. The Directors have jointly and collectively accepted responsibility in the "Directors' Responsibility Statement" of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

The ESR-REIT Manager has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter (Development Management Fee)). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter (Development Management Fee)). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this IFA Letter (Development Management Fee) and references thereto in the Circular.

Our opinion in relation to the Proposed Development Management Fee Supplement, should be considered in the context of the entirety of this IFA Letter (Development Management Fee) and the Circular.

## 3. DETAILS OF THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT

Information on the Proposed Development Management Fee Supplement is set out in section 3 of the Circular.

## 4. OUR EVALUATION

In arriving at our opinion in relation to the Proposed Development Management Fee Supplement, we have taken into account the following key factors:

### 4.1 Rationale

The following rationale has been extracted from section 3.3 of the Circular:

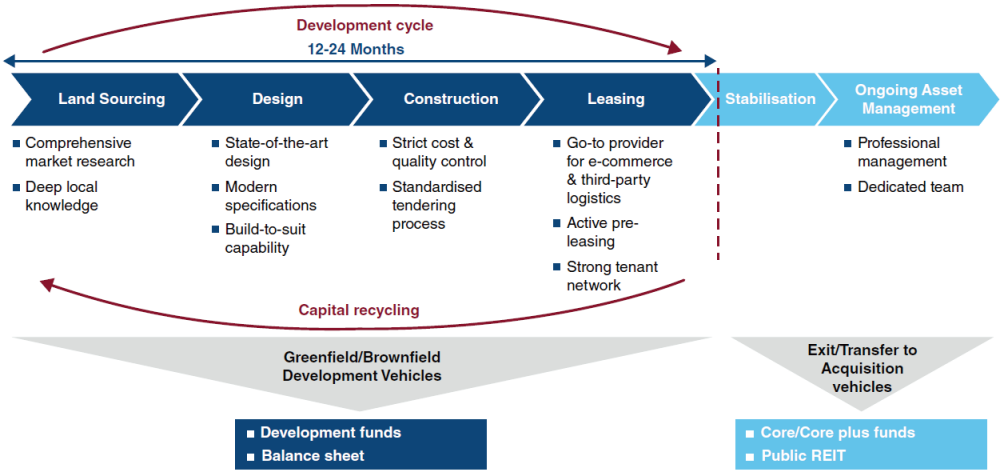
*The ESR-REIT Manager's key objective is to invest in a diverse portfolio of properties to achieve an attractive level of return from rental income and long-term capital growth in order to deliver stable returns for ESR-REIT Unitholders. The ESR-REIT Manager plans to achieve its objective by focusing on a three-pronged approach that leverages on synergies with ESR-REIT's strong Developer-Sponsor, the ESR group, while developing a diversified and resilient property and tenant network across the Asia-Pacific: (1) achieving active acquisition and development growth, (2) achieving organic growth, and (3) exercising prudent capital management. In this connection, the ESR-REIT Manager may undertake Development Projects, including but not limited to asset enhancement initiatives, build-to-suit and redevelopment projects.*

*(a) Potential opportunities to participate in Development Projects with third parties, with the Sponsor or through the Sponsor's network*

*The ESR-REIT Manager believes that the acquisition of strategic assets with long-term growth prospects through Development Projects is favourable to ESR-REIT Unitholders as Development Projects can potentially provide greater returns compared to outright acquisitions of income-producing properties and thus may improve the net asset value of ESR-REIT's portfolio and enhance distributions to ESR-REIT Unitholders.*

*The Sponsor is an established logistics real estate developer, with assets spanning across the People's Republic of China, Japan, Singapore, South Korea, Australia and India targeting strategic locations near key logistics hubs such as major seaports, airports, transportation hubs and industrial zones. The Sponsor develops logistics properties on its balance sheet and through the funds and investment vehicles it manages. It has established efficient, high-quality and scalable ground-up (greenfield) and re-development (brownfield) logistics facilities development capabilities in each country where it operates, with its extensive in-house expertise from selection and acquisition of sites to the design, construction and leasing of modern logistics facilities. These facilities are characterised by large floor plates, high ceilings, wide column spacing, spacious and modern loading docks as well as enhanced safety systems and other value-added features. The Sponsor conducts feasibility studies, master planning, project design, project cost analysis and project management for each of its logistics properties, and contracts with and supervises third-party construction companies to construct the logistics facilities.*

*The Sponsor has expertise throughout the development cycle and actively sources greenfield and brownfield opportunities across the Asia-Pacific region to design and construct modern logistics properties that meet the evolving needs of tenants.*




*The Sponsor has undertaken numerous development projects such as the recent development of a distribution centre in Fujidera, Osaka, Japan with a GFA of approximately 178,000 square metres and a logistics facility located at Wuxi, Shanghai, People's Republic of China with a GFA of approximately 97,400 square metres. As of 31 December 2018, the GFA of properties completed and under development as well as the GFA to be built on land held by the Sponsor for future development stood at over 12 million square metres in total.*

*Given the Sponsor's expertise in development management, the ESR-REIT Manager may explore opportunities to participate in Development Projects, either through joint ventures with the Sponsor or individually by leveraging on the Sponsor's network.*

*(b) Potential opportunities to undertake Development Projects within ESR-REIT portfolio*

*The ESR-REIT Manager has in-house project and property development capabilities with a track record of managing Development Projects. These include the amalgamation of two sites at 86 & 88 International Road into a single development which allowed the ESR-REIT Manager to optimise existing plot ratio to gain additional GFA. The ESR-REIT Manager also developed a four-storey ramp-up industrial warehouse at 3 Pioneer Sector 3 and connected it to an existing industrial building on the site, allowing units on each level to share a common loading area and transforming the entire development into a highly accessible project. 70 Seletar Aerospace View was developed as a build-to-suit industrial building with a hangar and ancillary office catering to companies in the general industrial sector.*

*The ESR-REIT Manager's management team has identified certain assets in ESR-REIT's existing portfolio for potential Development Project opportunities, which will focus on two key areas: repositioning appropriate properties in order to meet the needs of industrialists of*

*today and in the future, and maximising the plot ratios to the best and highest use. As part of ESR-REIT's active asset management strategy, the ESR-REIT Manager has identified a number of assets in the portfolio with plot ratios that can be increased to generate additional leasable area so as to enhance rental yield and capital value, such as 7000 AMK and the property at 3 Tuas South Avenue 4. Further announcements on Development Projects will be made to update ESR-REIT Unitholders at the appropriate time.*

*The development cost of a property is usually lower than an outright acquisition due to the absence of developer's profit which is payable to the developer as part of the purchase price in an outright acquisition. Hence, Development Projects may allow ESR-REIT to benefit from a larger unrealised valuation gain (assuming there is an uplift of valuation in the property after development) than an outright acquisition. In turn, this may result in an uplift in the price of ESR-REIT Units as a consequence of an increase in ESR-REIT's NAV. Furthermore, the gross yield on construction cost is likely to be higher than the gross yield on valuation amount (assuming that the price paid to a developer for an acquisition of properties at completion is the valuation amount), which could potentially result in increased distributions to ESR-REIT Unitholders.*

*Further, the process of property development generally is more complex and time consuming as opposed to outright acquisitions of completed income-producing real estate as property development requires a longer "gestation" period and involves the management and supervision of significant construction activity. The "gestation" period (i.e. from the time taken between identification of development opportunities and the confirmation of a deal) may take up to a year and sometimes longer. From confirmation of a deal to the completion of the construction of the Development Project, the development management process typically takes 18 to 30 months depending on the size of the Development Project. In contrast, the time frame for outright acquisitions may be as short as three to four months from the initial inspection until the completion of the acquisition.*

*ESR-REIT Unitholders should note that in undertaking development activities, ESR-REIT will face risks commonly associated with such development activities. Such risks may include, amongst others, force majeure events, untimely or unsatisfactory quality of services rendered by independent third-party contractors, cost overruns, delays in construction, tenant risk in build-to-suit facilities, lack of or decreased rental demand after completion of construction and changes to government policies.*

*In addition, not all development opportunities may result in confirmed Development Projects. Any costs incurred during the period when the ESR-REIT Manager identifies a development opportunity to the time when confirmation of the Development Project is sought (i.e. the pre-construction phase) will be borne by the ESR-REIT Manager, if such confirmation of the Development Project is not subsequently obtained.*

*The ESR-REIT Manager believes that the Proposed Development Management Fee Supplement will provide the ESR-REIT Manager with an adequate amount of compensation and the incentive to seize opportunities as they arise that may enhance ESR-REIT's existing portfolio, and will be beneficial to ESR-REIT Unitholders as Development Projects can provide significant returns to*

*supplement the income derived from other areas of ESR-REIT's business and thus also contribute to improving the net asset value of ESR-REIT.*

*In carrying out development activities on behalf of ESR-REIT, the ESR-REIT Manager will consider, among other things, the risks, as well as the overall benefits to ESR-REIT and ESR-REIT Unitholders.*

The rationale has been reviewed and is considered to be reasonable.

**4.2 Comparison of the Proposed Development Management Fee Supplement with development management fees payable by selected trusts and REITs that are listed on SGX-ST**

We have considered publicly available information for selected trusts and REITs that are listed on Singapore ("**SGX-ST**"), which in our view, are broadly comparable to ESR-REIT ("**ESR-REIT Comparable Trusts**"). The list of selected trusts and REITs presented in the table below is for illustration purpose only and is by no means exhaustive.

| **Entity Name** | **Market Capitalisation[1] (S$ Million)** | **Total Assets[2] (S$ Million)** | **Development Management Fee** | **Scope[3]** |
|---|---|---|---|---|
| ESR-REIT | 1,740.4 | 3,287.1 | Proposed fee: Equivalent to 3.0% of the total project costs incurred in development projects[4], including land acquired for development | Proposed scope: "Development Project" means a project involving the development or redevelopment of land, or buildings, or part(s) thereof on land which is acquired, held or leased by the Trust, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. |
| Ascendas Real Estate Investment Trust ("Ascendas REIT") | 9,587.3 | 12,055.8 | Not exceeding 3.0% of the total project costs incurred in development projects[5] , including land acquired for development | "Development Project" means a project involving the development of land, or buildings, or part(s) thereof (including asset enhancement initiatives) on land which is acquired, held or leased by the Trust, provided always that the Property Funds Guidelines shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. |
| Mapletree Logistics Trust ("MLT") | 5,597.3 | 8,011.7 | Not exceeding 3.0% of the total project costs incurred in development projects[6], including land acquired for development | "Development Project" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by the Trust, provided always that the Property Fund Guidelines shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. |

| | | | | |
|---|---|---|---|---|
| Mapletree Industrial Trust ("MIT") | 4,574.0 | 4,635.1 | Not exceeding 3.0% of the total project costs incurred in a development project(7) | "Development Project" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by MIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. |
| Frasers Logistics & Industrial Trust ("FLT") | 2,810.1 | 3,143.1 | Equivalent to 3.0% of the total project costs incurred in development projects(8), excluding land acquired for development which will attract a separate acquisition fee | "Development Project" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by FLT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. |
| Soilbuild Business Space REIT ("Soilbuild REIT") | 624.4 | 1,286.8 | Equivalent to 3.0% of the total project costs incurred in development projects(9) , including land acquired for development | "Development Project" means a project involving the development or redevelopment of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Soilbuild REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations, save for works that result in additional GFA. |
| EC World Real Estate Investment Trust ("EC World REIT") | 588.9 | 1,514.2 | Equivalent to 3.0% of the total project costs incurred in a development project(10) , excluding land acquired for development which will attract a separate acquisition fee | "Development Project", in relation to EC World REIT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by EC World REIT, either directly or indirectly, by one or more SPVs, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. |

*Source: Capital IQ, Company Annual Reports, Company Prospectuses and relevant Circulars*

**Notes**

(1) Market capitalisation as at Latest Practicable Date.

(2) Total assets as at Latest Practicable Date.

(3) Scope has been extracted from the relevant documents of each of the ESR-REIT Comparable Trusts.

(4) ESR-REIT: When the estimated Total Project Costs are greater than S$100.0 million, the ESR-REIT Trustee and the ESR-REIT Manager's independent directors will first review and approve the quantum of the Development Management Fee payable to the ESR-REIT Manager, and the ESR-REIT Manager may be directed by its independent directors to reduce the Development Management Fee; in cases where the ESR-REIT Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, the ESR-REIT Manager's independent directors shall have the

discretion to direct the ESR-REIT Manager to reduce the Development Management Fee to such amount which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the ESR-REIT Manager on behalf of ESR-REIT; and any increase in the percentage of the Development Management Fee or any change in the structure of the Development Management Fee shall be approved by an Extraordinary Resolution.

(5) Ascendas REIT: In cases where the market pricing for comparable services is materially lower, the Manager will reduce the development management fee to less than 3.0%. In addition, when the estimated total project cost is greater than S$100.0 million, the Trustee and the Manager's independent directors will review and approve the quantum of the development management fee.

(6) MLT: When the estimated total project costs is greater than S$100 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the Development Management Fee whereupon the Manager may be directed to reduce the Development Management Fee. Further, in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, it shall have the discretion to accept a Development Management Fee which is less than 3% of the total project costs incurred in a Development Project undertaken on behalf of the Trust.

(7) MIT: When the estimated total project costs are greater than S$100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the Manager will have the discretion to accept a development management fee which is less than 3.0% of the total project costs incurred in a Development Project undertaken by the Manager on behalf of MIT.

(8) FLT: When the estimated total project costs is greater than S$200.0 million (equivalent to A$188.0 million), the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by its independent directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the independent directors of the Manager shall have the discretion to accept a development management fee which is less than 3.0% of the total project costs incurred in a Development Project undertaken on behalf of the Trust.

(9) Soilbuild REIT: When the estimated total project costs are greater than S$100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by its independent directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower, the independent directors of the Manager shall have the right to direct a reduction of the development management fee to less than 3.0% of the total project costs.

(10) EC World REIT: When the estimated total project costs are greater than S$100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the Development Management Fee, whereupon the Manager may be directed by its independent directors to reduce the Development Management Fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the Development Management Fee, the independent directors of the Manager shall have the right to direct a reduction of the Development Management Fee to less than 3.0% of the total project costs incurred in a Development Project undertaken by the Manager on behalf of EC World REIT.

Based on the table above, we note the following:

(i) All of the ESR-REIT Comparable Trusts use total project costs as a basis for calculating development management fees.

In circumstances where ESR-REIT acquire land for development, the ESR-REIT Manager will receive the Development Management Fee for the Development Project, however, no acquisition fee will be payable to the ESR-REIT Manager in relation to the acquisition. This differs from the approach used by FLT and EC World REIT, however, is in line with the approach of Ascendas REIT, MLT and Soilbuild REIT.

(ii) The proposed Development Management Fee of equivalent to 3.0% of total project costs is in line with the development management fees paid by the ESR-REIT

Comparable Trusts which are either not exceeding 3.0% or equivalent to 3.0%. The proposed Development Management Fee of 3.0% is aligned with FLT, Soilbuild REIT and EC World REIT which charge development management fees equivalent to 3.0% of total project costs.

(iii) We note that the REITs such as AIMS APAC REIT, Cache Logistics Trust, Ascendas India Trust and Sabana Shari'ah Compliant Industrial Real Estate are also comparable to ESR-REIT (i.e. industrial trusts). Based on publicly available information, we are not able to obtain information with respect to development management fees, if any, for AIMS APAC REIT, Cache Logistics Trust, Ascendas India Trust and Sabana Shari'ah Compliant Industrial Real Estate and as such, we have decided not to use these entities for our benchmarking purposes.

Based on the above findings, we note that ESR-REIT's Proposed Development Management Supplement is in line with the observable market practice of ESR-REIT Comparable Trusts.

## 5. PAYMENT OF DEVELOPMENT MANAGEMENT FEE

For the avoidance of doubt, subject to the Property Funds Appendix, the ESR-REIT Manager may opt to receive the Development Management Fee in the form of Cash or a combination of both Cash and ESR-REIT Units in such proportions as may be determined at the option of the ESR-REIT Manager. Where part of the Development Management Fee is to be received in the form of ESR-REIT Units, the ESR-REIT Manager shall be entitled to receive such number of ESR-REIT Units as may be purchased for the relevant amount of the Development Management Fee at the issue price equal to the Market Price within 30 days after the last day of the calendar quarter in arrears.

The Development Management Fee shall be payable in equal monthly instalments over the construction period of each Development Project based on the ESR-REIT Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs are finalised.

## 6. OUR OPINION

Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the Proposed Development Management Fee Supplement is on normal commercial terms and is not prejudicial to ESR-REIT and its minority ESR-REIT Unitholders.

Accordingly, we advise the Relevant Independent Directors (Development Management Fee) and the ARCC to recommend that Independent ESR-REIT Unitholders (Development Management Fee) vote in favour of the Proposed Development Management Fee Supplement.

This IFA Letter (Development Management Fee) is delivered pursuant to Rule 921 of the Listing Manual and is addressed to the Relevant Independent Directors (Development Management Fee), the ARCC and the ESR-REIT Trustee, in connection with and for the purpose of their consideration of the Proposed Development Management Fee Supplement.

Any recommendations to be made by the Relevant Independent Directors (Development Management Fee) and the ARCC to the Independent ESR-REIT Unitholders (Development Management Fee) shall remain their responsibility.

A copy of this IFA Letter (Development Management Fee) may be reproduced in the Circular.

This IFA Letter (Development Management Fee) is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of

**KPMG Corporate Finance Pte Ltd**

*This page has been intentionally left blank.*

# APPENDIX B

## PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT

The proposed form of amendments to the ESR-REIT Trust Deed upon ESR-REIT Unitholders' approval of the Proposed Development Management Fee Supplement is as follows:

- That Clause 1.1 of the ESR-REIT Trust Deed be amended by inserting the following definitions of "Development Management Fee" and "Development Project" immediately after the definition of "Depository Services Agreement":

  "**Development Management Fee**" means the development management fee payable to the Manager which is determined in accordance with Clause 15.7;

  "**Development Project**" means a project involving the development or redevelopment of land, or buildings, or part(s) thereof on land which is acquired, held or leased by the Trust, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations;"

- That Clause 1.1 of the ESR-REIT Trust Deed be amended by inserting the following definition of "Total Project Costs" immediately after the definition of "Tax Ruling":

  "**Total Project Costs**" means the sum of the following:

  (i) construction cost based on the project final account prepared by the project quantity surveyor;

  (ii) land costs, including acquisition price, differential premium or development charge where applicable. For land acquired on a land rent basis, only the total amount of land rent payable during the development period will be included. For redevelopment of existing properties, land costs refer to all costs associated with land such as any payment of additional premium or amounts to governmental, statutory and regulatory authorities in connection with the redevelopment, but does not include the value of the land. For avoidance of doubt, there will be no land cost component for land which has been allocated at no cost to the Trust for built-to-suit developments;

  (iii) principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;

  (iv) the cost of obtaining all approvals for the project;

  (v) site staff costs;

  (vi) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with generally accepted accounting practices in Singapore; and

  (vii) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the Development Project in accordance with generally accepted accounting practices in Singapore;"

- That Clause 4.3.18 of the ESR-REIT Trust Deed be amended by inserting the following addition indicated by the underlined text below:

  "4.3.18 the Management Fee comprising the Base Fee and the Performance Fee, the Acquisition Fee, the Disposal Fee, the Development Management Fee and the remuneration of the Trustee pursuant to Clause 15;"

- That Clause 15 of the ESR-REIT Trust Deed be amended by inserting the following clause after Clause 15.6:

"15.7 **Development Management Fee**

15.7.1 The Manager is also entitled to receive for its own account out of the Deposited Property a development management fee ("**Development Management Fee**") equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of the Trust. In addition, when the estimated Total Project Costs is greater than S$100.0 million, the Trustee and the Manager's independent directors will first review and approve the quantum of the Development Management Fee whereupon the Manager may be directed by its independent directors to reduce the Development Management Fee. Further, in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, the independent directors of the Manager shall have the discretion to direct the Manager to reduce the Development Management Fee to such amount which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of the Trust.

15.7.2 Any increase in the percentage of the Development Management Fee or any change in the structure of the Development Management Fee shall be approved by an Extraordinary Resolution of a meeting of Holders duly convened and held in accordance with the provisions of Schedule 1.

15.7.3 Subject to the Property Funds Appendix, the Manager may opt to receive the Development Management Fee in the form of Cash or a combination of both Cash and Units in such proportions as may be determined at the option of the Manager. Where part of the Development Management Fee is to be received in the form of Units, the relevant amount in Cash of the Units component of the Development Management Fee shall be accrued for the calendar quarter and the Manager shall be entitled to receive, within 30 days after the last day of the calendar quarter (or such longer period as the Manager may determine in the event that such fee cannot be computed within 30 days of the last day of the calendar quarter), such number of Units as may be purchased for the relevant amount of the Development Management Fee at the Issue Price equal to the Market Price. For this purpose, "**Market Price**" means the volume weighted average traded price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten Business Days immediately preceding (and for the avoidance of doubt, including) the end of the relevant calendar quarter which such fees relate to, or if the Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit (which may include, without limitation, instances where the volume of trade in the Units is very low or there is disorderly trading activity in the Units), means an amount as determined by the Manager (after consultation with a Stockbroker approved by the Trustee), and as approved by the Trustee as being the fair Market Price of a Unit. In the event the payment or part thereof is to be made in the form of Units and the Holders' prior approval was required for the issue of such Units pursuant to Clause 5.2.5 but was not obtained, then the payment to the Manager for that portion of that Development Management Fee shall be made in the form of Cash.

15.7.4 Subject to the restrictions under Clauses 5.2.5[1] and 15.7.3, the Manager may determine or change the structure of the payment of the Development Management Fee between Cash and Units in relation to each Development Project without the requirement of obtaining approval by an Extraordinary Resolution of a meeting of Holders.

15.7.5 The Development Management Fee is payable in equal monthly instalments over the construction period of each Development Project based on the Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs is finalised. For the avoidance of doubt, the Trust shall bear all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed on the Development Management Fee by the relevant governmental, statutory and/or regulatory authorities in Singapore or elsewhere.

15.7.6 Where Real Estate or Real Estate Related Assets are purchased, invested in or acquired for development, no Acquisition Fee shall be paid in relation to such purchase, investment or acquisition when the Manager receives the Development Management Fee for the Development Project.

15.7.7 For the avoidance of doubt, the Manager may at its sole discretion appoint one or more service providers to perform works or services in connection with the Development Project, PROVIDED THAT the Manager remains at all times responsible for the management and supervision of such service provider(s) and the Manager shall be entitled to the full Development Management Fee notwithstanding the appointment of such service provider(s).

15.7.8 All Units issued to the Manager under this Clause 15.7 shall be credited as fully paid and rank *pari passu* with other Units of the same class and the Manager shall be entitled to all the rights attached to any Units issued to it under this Clause 15.7 as any other Holder of Units."

- That Clause 19.1 of the ESR-REIT Trust Deed be amended by inserting the following clause after Clause 19.1.24, and Clause 19.1.25 of the ESR-REIT Trust Deed be renumbered accordingly:

  "19.1.25 provide or procure the provision of development management services to the Trust in respect of Development Projects;"

- That paragraph 5(i)(b) of Schedule 1 to the ESR-REIT Trust Deed be amended in accordance with the following additions indicated by the underlined text below:

  "5. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by:

  (i) Extraordinary Resolution to:

  (b) sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Disposal Fee, the Development Management Fee and the Trustee's remuneration as provided in Clause 15 of this Deed;"

1 Clause 5.2.5 of the Amended and Restated Trust Deed provides that for as long as ESR-REIT is Listed, subject to any Relevant Laws, Regulations and Guidelines, the ESR-REIT Manager shall not issue any ESR-REIT Units in numbers exceeding the limit (if any) set out in any Relevant Laws, Regulations and Guidelines, relating to the issue of ESR-REIT Units, unless the ESR-REIT Unitholders approve the ESR-REIT Units exceeding the aforesaid limit in general meeting.

*This page has been intentionally left blank.*

# APPENDIX C

## EXTRACTS OF KEY CLAUSES IN THE AMENDED AND RESTATED TRUST DEED WHICH ARE SUBSTANTIALLY CHANGED OR ARE NEW OR SIGNIFICANTLY DIFFERENT FROM THE CORRESPONDING EXISTING PROVISIONS IN THE ESR-REIT TRUST DEED

Extracts of key Clauses of the Amended and Restated Trust Deed which are substantially changed or are new or significantly different from the corresponding provisions in the ESR-REIT Trust Deed are set out below. Insertions are reflected as underlined and deletions are reflected as struck-through.

- That the following definitions contained within Clause 1.1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  "**Data Protection Laws**" means any and all applicable data protection and privacy laws, rules, regulations and guidelines, including the Singapore Personal Data Protection Act 2012;

  "**Minor**" means any individual under the age of ~~21~~ 18 years;

  "**Personal Data**" means all data that falls within the definition of personal information, personal data, personally identifiable information or similar language under Data Protection Laws;

  "**Property Expenses**" in relation to Real Estate ~~in the form of land~~, whether directly held by the Trustee or indirectly held by the Trustee through ~~a~~ one or more Special Purpose Vehicles, and in relation to any Financial Year or part thereof, means all costs and expenses incurred and payable by the Trust or the relevant Special Purpose Vehicle in the operation, maintenance, management and marketing of such Real Estate, including but not limited to the following:

  (i) the fees and expenses payable to the relevant property manager in relation to such Real Estate;

  ~~(ii) the Performance Fee Payable to the Manager in relation to such Real Estate;~~

  (iii) property tax, assessment, rents, charges or other impositions in relation to such Real Estate;

  (~~iv~~iii) government rent and rates;

  (iv) charges for heating, air-conditioning, electricity, gas, water, telephone and any other utilities;

  (v~~i~~) costs of services, including contract cleaning fees, contract security fees as well as repair and maintenance expenses;

  (vi~~i~~) to the extent permitted by the Authority, marketing, advertising, promotion and public relations expenses in relation to the Real Estate;

  (viii) commissions and expenses payable to the property manager and other leasing agents for the lease or licence of units in the Real Estate;

(~~ix~~viii) maintenance charges, sinking fund contributions and other contributions or levies payable in respect of the Real Estate;

(ix) insurance premiums for insurances taken out for or in relation to the Real Estate;

(x~~i~~) audit, tax and valuation fees;

~~(xii) all depreciation or amortisation costs of the Real Estate;~~

(xi~~i~~i) expenses for purchase, maintenance, repair and replacement of Operating Equipment;

(~~xiv~~xii) allowance for doubtful accounts or bad debts, as the Trustee, on the recommendation of the Manager, shall determine in accordance with generally accepted accounting principles in Singapore or where the context requires, any other relevant jurisdiction;

(~~xv~~xiii) reimbursement of salaries and related expenses;

(~~xvi~~xiv) landlord's fitting out costs and expenses (net of takeover fees), general and administrative expenses as well as other miscellaneous expenses relating to the Real Estate; ~~and~~

(xv~~ii~~i) GST, business tax, land use tax or other applicable taxes on the supply to the Trust or (as the case may be) the relevant Special Purpose Vehicle of any goods and services or GST, business tax, land use tax or other applicable taxes paid or payable by the Trustee or (as the case may be) the relevant Special Purpose Vehicle on the importation of any goods or services, being (in each case) goods or services used or to be used for the purpose of any business carried on or to be carried on by the Trust or (as the case may be) the relevant Special Purpose Vehicle, to the extent that the Trust or (as the case may be) the relevant Special Purpose Vehicle is not entitled to credit for such GST against GST on supplies which the Trust or (as the case may be) the relevant Special Purpose Vehicle makes; and

(xvi) any Real Estate taxes,

but, shall not include the following:

(a) expenditure on alterations, additions or improvements in or to such Real Estate or other expenditures of a capital nature which are not regarded as operating costs and expenses in accordance with generally accepted accounting principles in Singapore;

(b) principal repayment of loans taken up by the Trustee or the relevant Special Purpose Vehicle for the acquisition, development and improvement of such Real Estate, including fees of consultants engaged for such acquisition, development and improvement of the Real Estate; and

(c) finance costs including interest charges on hire purchase, equipment financing, credit facilities or loans taken up by the Trustee or the relevant Special Purpose Vehicle referred to in (b) above;

"**Property Income**" in relation to Real Estate ~~in the form of land~~, whether directly held by the Trustee or indirectly ~~hold~~ held by the Trustee through ~~a~~ one or more Special Purpose Vehicles, and in relation to any Financial Year or part thereof, means all income accruing or

resulting from the operation of such Real Estate for that Financial Year or part thereof, pro-rated, if applicable, to the proportion of the interest of the Trust in the Real Estate (if held directly by the Trustee) or (as the case may be) the relevant Special Purpose Vehicle (if the Real Estate is held indirectly by the Trustee through the Special Purpose Vehicle), including but not limited to its base rental income, licence fees, service charges, car park income, promotional fund contributions, turnover rent (if any) and other sums due from tenants, licensees and concessionaires, business interruption insurance payments and other income earned from the Real Estate (comprising recoveries from tenants, licensees and concessionaires for utilities and other services, advertising and other income attributable to the operation of such Real Estate) but shall exclude the following:

(i) proceeds derived or arising from the sale and/or ~~disposal~~ divestment of the Real Estate and/or the Operating Equipment, or any part thereof,

(ii) all proceeds from insurances (excluding business interruption insurance payments which shall form part of Property Income);

(iii) all refundable security deposits (including but not limited to rental deposits, renovation deposits and fitting out deposits);

(iv) interest income; and

(v) all GST or other applicable taxes (whether in force at present or in the future), charged to tenants, licensees and users of the Real Estate for the sale or supply of services or goods, which taxes are accountable by the Trustee or (as the case may be) the relevant Special Purpose Vehicle to the tax authorities;

"**Real Estate**" means any land, and any interest (including any beneficial, economic, or contractual rights and any other form of interest), option or other right in or over any land, ~~including without limitation, all machinery, plant and equipment installed in and certified by the Manager acting in good faith as being integral to the use of any building falling within any land, as well as shares or units in an unlisted entity (whether incorporated or otherwise constituted, in Singapore or elsewhere) whose primary purpose is to hold, directly or indirectly, any of the foregoing.~~ wherever situated, held singly or jointly, and/or by way of direct ownership or by way of a holding of shares, units or interests or rights (whether beneficial, economic or contractual) (as the case may be) in a Special Purpose Vehicle. For the purposes of this definition, "**land**" includes land of any tenure, freehold or leasehold, whether or not held apart from the surface, and buildings or parts thereof (whether completed or otherwise and whether divided horizontally, vertically or in any other manner) and tenements and hereditaments, corporeal and incorporeal, and any estate or interest therein, and "**Real Estate**" includes shares, units, interests or other form of rights (as the case may be) in a Special Purpose Vehicle;

"**Real Estate Related Assets**" means listed or unlisted debt securities and listed shares of or issued by property companies or corporations, mortgage-backed securities, listed or unlisted units in business trusts, collective investment schemes or unit trusts or interests in other property funds and assets incidental to the ownership of Real Estate, including, without limitation, furniture, carpets, furnishings, machinery and plant and equipment installed or used or to be installed or used in or in association with any Real Estate or any building thereon;

"**Relevant Laws, Regulations and Guidelines**" means, as applicable in the context, any and/or all laws, regulations and guidelines that apply to the Trust and/or which are relevant to its management, operations, marketing, business, investments, activities or affairs, including the Code, the Property Funds Appendix, the Securities and Futures Act, the Listing

Rules, all applicable tax laws and all directions, guidelines or requirements imposed by any governmental, statutory or regulatory authority that apply to the Trust, as the same may be modified, amended, supplemented, revised or replaced from time to time, including any waiver, exception, approval, consent or relief from time to time granted to the Trust by any governmental statutory or regulatory authority including the SGX-ST and the Authority;

"**Securities**" means any share, stock, bond, debenture, warrant, transferable subscription right, option, loan convertible into equity securities, any convertible securities (including, without limitation, convertible bonds), units in business trusts, units in collective investment schemes, units in unit trusts or any other interests in mutual funds or any other security;

"**Special Purpose Vehicle**" means an unlisted entity, trust or business form (whether incorporated or otherwise constituted, in Singapore or elsewhere) whose primary purpose is to hold or own Real Estate or to hold or own shares, units or any other interests, units or any other form of rights (whether beneficial, economic or contractual) (as the case may be) in such other unlisted entity, trust, fund or business form (whether incorporated or otherwise constituted, in Singapore or elsewhere) whose primary purpose is to hold or own Real Estate or to preform services related to or in connection with the ownership of Real Estate. Where the context requires, the definition refers to a Special Purpose Vehicle held by the Trust in accordance with Clause 10.4;

"**Stockbroker**" means (i) a member of the SGX-ST ~~or any other Recognised Stock Exchange~~, (ii) an entity which holds a financial adviser's licence issued pursuant to the Financial Advisers Act, Chapter 110 of Singapore, (iii) an entity which is an exempt financial adviser under the Financial Advisers Act, Chapter 110 of Singapore and/or (iv) a holder of a capital markets services licence for the regulated activity of advising on corporate finance issued pursuant to the Securities and Futures Act;

"**Tax-Exempt Income**" in relation to any Distribution Period, means any income received or receivable by the Trust out of Income for that Distribution Period which is exempt from Tax under the Tax Act when received in Singapore;

- That Clause 1 be amended by inserting the following clause after Clause 1.8:

1.9 **Relevant Laws, Regulations and Guidelines**

For the avoidance of doubt, in the event of a conflict between any provision of this Deed and the Relevant Laws, Regulations and Guidelines, the Relevant Laws, Regulations and Guidelines shall prevail.

- That Clause 2 be amended by inserting the following clause after Clause 2.6, and Clause 2.7 and Clause 2.8 be re-numbered accordingly:

2.7 **Variation of Rights**

2.7.1 Whenever the Units of the Trust are divided into different Classes of Units, subject to the provisions of the Relevant Laws, Regulations and Guidelines, preference Units, other than redeemable preference Units, may be repaid and the special rights attached to any Class may be varied or abrogated either with the consent in writing of the Holders of at least three-quarters of the issued Units of the Class or with the sanction of an Extraordinary Resolution at a separate meeting of Holders of the Units of the Class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a winding-up. To every such meeting of Holders, all the provisions of this Deed relating to meetings

of Holders (including, but not limited to the provisions of Schedule 1) shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued Units of the Class, PROVIDED THAT in the event that there is only one Holder is respect of the Units of that Class, the necessary quorum shall be that sole Holder, and PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from the Holders of at least three-quarters of the issued Units of the Class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to some only of the Units of any Class as if each group of Units of the Class differently treated formed a separate Class the special rights whereof are to be varied.

2.7.2 The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

- That Clause 3.1 be amended by inserting the following clause after Clause 3.1.2, and Clause 3.1.3, Clause 3.1.4 and Clause 3.1.5 be re-numbered accordingly:

  3.1.3 the class of Units held by each Holder (if more than one Class of Units has been issued);

- That Clause 3.5.2 be amended in accordance with the following additions indicated by the underlined text below:

  3.5.2 If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents and records relating thereto in its possession or under its control. Thereafter, the Trustee shall not retain any copies of the aforesaid documents and records unless required by law.

- That Clause 3.7.1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  3.7.1 For so long as the Trust is Listed ~~on the SGX-ST~~, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of ~~Holders~~ Depositors credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne

by ~~the Holder or (as the case may be)~~ the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than aforesaid) be entered upon the Depository Register.

- That Clause 3.7 be amended by inserting the following clauses after Clause 3.7.7:

  3.7.8 The Trustee shall have the powers to rectify the Register if it appears to the Trustee that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) was wrongly entered or omitted.

  3.7.9 Subject to compliance with procedures provided in this Clause 3.7, there shall be no restriction in this Deed on the transfer of fully paid Units except where required by the Relevant Laws, Regulations and Guidelines.

- That Clause 3.8 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  3.8 **Death of Holders**

  The executors or administrators of a deceased Holder ~~or Depositor of Units~~ (not being a Joint Holder ~~or Joint Depositor~~) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In case of the death of any one of the Joint Holders ~~or Joint Depositors~~ of Units and subject to any ~~applicable law or regulation~~ Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of ~~21~~ 18 years and shall not be ~~obligated~~ obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder ~~or Joint Depositor~~, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder ~~or Joint Depositor~~, the Minor Joint Holder ~~or Minor Joint Depositor~~ or the Minor Joint Holder's ~~or Minor Joint Depositor's~~ legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of ~~21~~ 18 years).

- That Clause 3.10 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  3.10 **Minors**

  A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders of Units but may be registered as one of the Joint-All Holders of Units,

PROVIDED THAT at least one of the Joint-All Holders is a person who has attained the age of ~~21~~ 18 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the ~~adult~~ other Joint-All Holder or Joint-All Holders who has or have attained the age of 18 years.

- That Clause 3.12 be amended in accordance with the following additions indicated by the underlined text below:

3.12 **Payment of Fee**

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee, must be paid before the registration of any transfer.

- That Clause 4.3 be amended by inserting the following clause after Clause 4.3.2:

4.3.3 In no event shall a Holder have or acquire any rights against the Trustee or the Manager or either of them except as expressly conferred on the Holder hereby nor shall the Trustee be bound to make any payment to any Holder except out of the funds held by it for that purpose under provisions of this Deed.

- That Clause 4.4 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

4.4 **Charges and Fees**

There shall be payable out of the Deposited Property (either directly or, if relevant, indirectly through ~~a~~ one or more Special Purpose Vehicles ~~or Treasury Company~~), in addition to any other charges or fees expressly authorised by this Deed by way of direct payment or reimbursement of the Manager or the Trustee, all fees, costs, charges, ~~and~~ expenses and Taxes properly and reasonably incurred, or Liabilities and claims that the Manager or the Trustee may suffer in carrying out the duties and complying with the obligations of the Manager and the Trustee (whether imposed by the Relevant Laws, Regulations and Guidelines or this Deed), exercising all powers, authorities, discretions and rights under this Deed or pursuant to any undertaking, indemnity, representation or warranty given by or agreement entered into by the Manager or the Trustee pursuant to their powers, authorities, discretions and rights under this Deed or in managing and administering the Trust, including but not limited to:

4.~~3~~4.1 all outgoings (including fees, costs, charges and expenses) which are necessary or desirable for the investment, management, administration or operation of the Trust and the Deposited Property including, but not limited to, rates, development and redevelopment costs, quantity surveyors' fees, subdivision and building costs, property taxes and any other statutory or regulatory charges, utility charges, repairs, alterations and maintenance, valuations, normal building operating expenses, insurance, computer related charges including costs of leasing systems, energy charges, wages and salaries, cleaning charges and costs and expenses incurred in

conducting baseline studies, the Property Expenses, costs and expenses incurred for any decontamination of the Deposited Property or any Investment or for compliance with any agreements relating to the Deposited Property or any service charges, land charges, licence fees, landscaping costs, administrative fees, land premium, regularisation fees, reasonable travel and accommodation expenses (including such reasonable expenses incurred by the directors and management of the Manager) and, to the extent permitted by the Code or any ~~applicable law or regulation~~ Relevant Laws, Regulations and Guidelines, marketing and promotional charges incurred in relation to any Investment or in connection with the Trust;

4.~~3~~4.2 the cost of engaging or employing any expert ~~or~~, independent adviser or professionals (including but not limited to auditors, solicitors and valuers) and the fees and expenses of such ~~expert or~~ experts, independent ~~adviser~~ advisers or professionals;

4.~~3~~4.3 all stamp duty and other charges and duty payable from time to time on or in respect of this Deed;

4.~~3~~4.4 all Acquisition Costs and Fiscal and ~~purchase charges~~ Purchase Charges or Fiscal and ~~sale charges~~ Sale Charges, including any fees payable to third party real estate agents or brokers in connection with any acquisition or ~~disposal~~ divestment of any Investment;

4.~~3~~4.5 all expenses incurred and transaction fees charged in relation to the acquisition, holding, registration and realisation of any Investment or the holding in the name of the Trustee, any Special Purpose Vehicle or ~~its nominee~~ their nominees of any Investment or the custody of the documents of title thereto (including insurance of documents of title against loss in shipment, transit or otherwise and charges made by agents of the Trustee or the relevant Special Purpose Vehicle for retaining documents in safe custody) and all fees and expenses of the custodians, joint custodians and sub-custodians appointed pursuant to Clause 18.1 and all transactional fees of the Trustee as may be agreed from time to time between the Manager and the Trustee in relation to all transactions involving the whole or any part of the Deposited Property, and in the case of the relevant Special Purpose Vehicle, where applicable, such transactional fees should be pro-rated to the proportion of the Trust's interest in the relevant Special Purpose Vehicle;

4.~~3~~4.6 all issuing fees, costs and expenses, Listing fees, underwriting fees and expenses, underwriter's co-ordination and structuring fees and expenses, placement fees and expenses and brokerage fees in connection with or arising out of any subscription or sale of Units by any issue manager, financial adviser, underwriter or placement agent appointed in relation to any issue or sale of Units ~~under Clause 5~~ (whether or not any such subscription or sale is completed or aborted);

4.4.7 to the extent permitted by the Code or any other Relevant Laws, Regulations and Guidelines, all costs and expenses incurred in conducting non-deal roadshow presentations to and meetings with Holders, prospective investors and analysts (including but not limited to the

preparation of reports and materials and reimbursement of out-of-pocket expenses in connection with the roadshow) for investors relations purposes or otherwise;

~~4.3.7~~ 4.4.8 all fees, charges and expenses incurred in connection with the investigation, research, negotiation, acquisition, development, registration, custody, holding, management, supervision, repair, maintenance, valuation, sale of or other ~~dealing~~ Dealing with an Investment (or attempting or proposing to do so (including any abortive costs)) and the receipt, collection or distribution of income or other Investments notwithstanding that such fees, charges and expenses may be incurred by or payable to the Manager or any Related Party of the Manager;

~~4.3.8~~ 4.4.9 if applicable, all fees, charges, expenses and liabilities incurred or to be incurred in relation to any indemnity given to the IRAS (including, without limitation, an indemnity to the IRAS in relation to any failure by a Holder ~~or (as the case may be) a Depositor~~, to pay any Tax payable by the Holder ~~or (as the case may be) a Depositor~~, on any part of a distribution by the Trustee under this Deed to the Holder ~~or (as the case may be) a Depositor~~);

~~4.3.9~~ 4.4.10 all fees, charges and expenses incurred in relation to the assigning and maintaining of a credit rating to the Trust;

~~4.3.10~~ 4.4.11 all taxation payable in respect of Income or the holding of or Dealings with the Deposited Property or any Investment;

~~4.3.11~~ 4.4.12 all expenses incurred in the collection of Income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities), or the determination of taxation in relation to the Trust;

~~4.3.12~~ 4.4.13 all interest, fees, charges and expenses (including, without limitation, legal fees and costs~~) on borrowings~~ and fees and costs related to debt and hedging arrangements and underwriting of debt instruments) on any lending or borrowing effected under Clause 10.12 and in negotiating, entering into, varying, carrying into effect (with or without variation) and terminating any lending or borrowing arrangement (whether or not any such debt and hedging arrangement or underwriting is completed or aborted);

~~4.3.13~~ 4.4.14 all costs and expenses of and incidental to preparing any such supplemental deed as is referred to in Clause 28 or any supplemental deeds for the purpose of ensuring that the Trust conforms to legislation coming into force after the date hereof (including any amending and restating deed);

~~4.3.14~~ 4.4.15 all costs and expenses incurred in connection with the convening and holding of ~~a meeting~~ meetings in relation to the Trust, including but not limited to meetings of Holders ~~or (as the case may be Depositors, including meetings for investor or analyst~~ (including Annual General Meetings), meetings on the affairs of the Trust, meetings with Holders and prospective investors, analysts and media briefings;

4.4.16 to the extent permitted by the Code or any Relevant Laws, Regulations and Guidelines, all costs and expenses incurred in connection with the maintenance of communication channels and relationships with investors;

~~4.3.15~~ 4.4.17 any amounts required to indemnify the Trustee ~~pursuant to Clause 18.9~~ and the Manager under this Deed;

~~4.3.16~~ 4.4.18 the Management Fee ~~comprising the Base Fee and the Performance Fee~~, the Acquisition Fee, the ~~Disposal~~ Divestment Fee, the Development Management Fee and the remuneration of the Trustee pursuant to Clause 15;

~~4.3.17~~ 4.4.19 all fees and expenses incurred for the provision and maintenance of the Register, including all fees, costs and expenses charged by the Registrar, and the provision of ~~fund~~ valuation and accounting services in relation to the Trust;

~~4.3.18~~ 4.4.20 ~~all fees or costs incurred in the administration of the Trust, including, without limitation,~~ any expense, charge or fee incurred in relation to the appointment by the Trustee of any process agent outside of Singapore;

~~4.3.19~~ 4.4.21 all GST and all other applicable taxes paid or to be paid in respect of services rendered to and by the Manager or the Trustee pursuant to Clause 17.10;

~~4.3.20~~ 4.4.22 all fees and expenses of the Auditors incurred in connection with the Trust and all fees and expenses related to keeping of accounting records incurred by the Trustee or any of its agents in connection with the Trust;

~~4.3.21~~ 4.4.23 all costs and disbursements incurred in connection with (~~a~~i) the negotiation for and acquisition of any Investment and (~~b~~ii) any Dealings with any Investment~~, including~~ (which for the avoidance of doubt, is separate from the fees payable to the Manager or the Trustee as described in Clauses 4.4.18 and 15);

4.4.24 selling commissions and advisory fees payable to real estate agents, property managers, asset managers or advisers, notwithstanding that such real estate agents, property managers, asset managers or advisers may be the Manager or any Related Party of the Manager and such other fees, costs and expenses referred to in Clause 10.13;

~~4.3.22~~ 4.4.25 all fees and expenses incurred in connection with the retirement or removal of the Manager~~, the Auditors~~ (which, for the avoidance of doubt, shall not include the costs and expenses in connection with the winding up of the Manager), the Auditors, any property manager or the Trustee (which, for the avoidance of doubt, shall not include the costs and expenses in connection with the winding up of the Trustee) or the appointment of a new manager, new auditors, any property manager or a new trustee;

~~4.3.23~~ 4.4.26 all fees, costs and expenses incurred ~~by the Manager and/or the Trustee in establishing~~ in constituting, forming and terminating the Trust and, to the extent permitted by the Code or any ~~applicable law or regulation~~ other Relevant Laws, Regulations and Guidelines, all fees, costs and expenses incurred ~~by the Manager and the Trustee~~ in the initial and subsequent marketing, promotion, advertising and sale of Units and general profiling of

the Trust, including the fees and expenses of any consultants and marketing and sales agents appointed by the Manager and all costs and expenses, including reimbursement of out-of-pocket expenses, incurred in connection with any exhibition and conference for the marketing, promotion or advertising of Units or the Trust;

~~4.3.24~~ 4.4.27 all fees and expenses, including reimbursement of out-of-pocket expenses, of any bankers, accountants, financial advisers, legal advisers, tax advisers, computer experts ~~or other professional advisers employed or engaged by~~, company secretaries, surveyors, Approved Valuers, real estate agents, property managers, asset managers, contractors, investment managers, investment advisers, qualified advisers, and other service providers or other persons employed or engaged:

(i) by the Manager and/or the Trustee in the performance of their respective obligations and duties under this Deed; ~~and~~

(ii) by the Manager and/or the Trustee in connection with the acquisition, holding, registration and realisation of any Investment of the Trust;

(iii) by the Manager, the Trustee, issue managers, underwriters ~~or~~, placement agents and/or any vendor (in the event of a public offering of Units by way of sale of the vendor's Units) in connection with the ~~listing~~ Listing of the Trust and/or the trading of Units on the SGX-ST ~~or any other Recognised Stock Exchange~~ and/or the offer, subscription, sale and purchase of Units; and/or

(iv) by the Manager, the Trustee and/or lenders in connection with any lending, borrowing or other fundraising or financing arrangement effected under Clause 10.12;

~~4.3.25~~ 4.4.28 all costs and expenses of and incidental to preparing ~~statements of Holding~~ Statements of Holdings, cheques, warrants, statements, circulars ~~and~~, notices, annual reports and other publications;

~~4.3.26~~ 4.4.29 to the extent permitted by the Code or ~~any applicable law or regulation~~ other Relevant Laws, Regulations and Guidelines, all fees and expenses incurred as a result of and incidental to:

(i) preparing, printing, issuing, lodging and registering the Prospectus or an offer information statement pursuant to the Securities and Futures Act; and/or

(ii) preparing, printing and issuing any explanatory memorandum, publicity material, reports or other sales literature relating to the Trust; and/or

(iii) determining and publishing the Current Unit Value, any Issue Price, ~~or~~ any Repurchase Price or any Preliminary Charge;

~~4.3.27~~ 4.4.30 all printing, publishing, postage, ~~telex~~ courier, facsimile, telephone, internet, on-line computer and web development and maintenance costs and other disbursements properly incurred by the Manager or the Trustee in sending, publishing or otherwise disseminating to Holders or (as the case may be) to the Depository for onward delivery to the Depositors,

copies of the Accounts or any reports or statements issued by the Manager to the Holders ~~or (as the case may be) the Depositors~~ or otherwise in the performance of their respective obligations and duties under this Deed;

~~4.3.28~~ 4.4.31 all other expenses, charges or fees properly and reasonably incurred ~~by the Manager or the Trustee~~ in connection with or arising out of the administration of the Trust or as a consequence of the due performance by the Manager or the Trustee of its obligations and duties under this Deed, including (without limitation) any expense, charge or fee incurred as a result of (~~a~~i) the application for and maintenance of any required licence (including the capital markets services licence required by the Manager to manage the Trust), (ii) the introduction of any change in, or in the interpretation or application of any law, regulation, rule or directive of any agency of state or regulatory or supervisory body or (~~b~~iii) compliance by the Trustee or the Manager with any such law, regulation, rule or directive;

~~4.3.29~~ 4.4.32 all costs and expenses incurred in the sub-division or consolidation of Units pursuant to Clause 2.3;

~~4.3.30~~ 4.4.33 all fees, costs and ~~fees~~ expenses incurred in connection with the authorisation or approval of the Trust under any ~~applicable law or regulation~~ Relevant Laws, Regulations and Guidelines;

~~4.3.31~~ 4.4.34 all fees, costs and expenses incurred by the Manager and/or the Trustee in obtaining and/or maintaining the ~~listing~~ Listing of the Trust and/or the trading of Units on the SGX-ST ~~or any other Recognised Stock Exchange~~ and/or the authorisation or other official approval or sanction of the Trust under the Securities and Futures Act or any other ~~law or regulation~~ Relevant Laws, Regulations and Guidelines in any part of the world~~, including the financial advisory fees, real estate investment advisory fees, solicitors' fees, acquisition fees and fees for the accountants, the tax advisers, the valuers, and other professionals, the underwriting, selling and management commissions, placement fees, and all other incidental expenses including prospectus printing and production, and other expenses incurred in connection with the Listing~~;

~~4.3.32~~ 4.4.35 if applicable, all costs and expenses payable to the CPF Board or its agents for obtaining and maintaining the status of the Trust as a fund included under the CPF Investment Scheme;

~~4.3.33~~ 4.4.36 all fees, costs and expenses charged by the Depository pursuant to the Depository Services ~~Agreement~~ Terms and Conditions and/or the Depository Requirements in relation to the ~~listing~~ Listing of the Trust and/or the trading of Units on the SGX-ST~~, all fees, costs and expenses relating to the listing of the Trust and/or trading of Units on any other Recognised Stock Exchange~~ and all charges payable to the Depository in respect of Units to be credited to or debited from the Securities Accounts of Depositors;

~~4.3.34~~ 4.4.37 all fees incurred in relation to the calculation of the Value of Authorised Investments~~,~~ and the Net Asset Value of the Deposited Property and related items of any Real Estate, the Value of the Deposited Property and/or preparing the financial statements of the Trust;

~~4.3.35~~ 4.4.38 all costs and fees of and expenses whether incurred by the Manager and/or the Trustee or their respective ~~advisers,~~ agents or delegates in acquiring or incorporating or otherwise establishing any ~~companies~~ company or other ~~entities~~ entity, including Special Purpose Vehicles and Treasury Companies, and the costs of maintaining, managing and administering such ~~companies~~ company or other ~~entities~~ entity and, where applicable, the costs of liquidating, winding up or terminating such ~~companies~~ company or other ~~entities~~ entity;

~~4.3.36~~ 4.4.39 all property management fees incurred by the Trustee and/or the Manager or its agent or payable to the Manager in respect of the Investments;

~~4.3.37~~ 4.4.40 all fees, charges and expenses of asset managers, property managers, project managers and collection agents appointed in relation to the operation and management of the Investments ~~which are Real Estate or Real Estate Related Assets~~ (including airfare, hotel accommodation and other travelling expenses) notwithstanding that such asset managers, property managers, project managers and collection agents may be the Manager or a Related Party of the Manager; ~~and~~

4.4.41 all costs and expenses incurred in connection with corporate social responsibility commitments and activities of the Trust and charitable acts and donations made in the name of the Trust; and

~~4.3.38~~ 4.4.42 all fees, charges, expenses and liabilities incurred or to be incurred in relation to any indemnity given to the Depository,

and, PROVIDED THAT there are sufficient funds in the Trust, (in the event that any of the foregoing fees, charges and expenses is invoiced to the Manager) the Trustee shall make the relevant payment of such fees, expenses and charges within 21 days upon the production by the Manager ~~(~~or the relevant persons, if applicable~~)~~, of the supporting invoices and other documents.

- That Clause 5.1.1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

5.1.1 Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement~~) PROVIDED THAT, in connection with the initial listing of the Trust on the SGX-ST, the Manager shall not be bound to accept any application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Manager.~~ or any issue of Units pursuant to a conversion of Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Manager may think fit PROVIDED THAT, for so long as the Trust is Listed, the Manager shall comply with the Listing Rules or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on ~~an initial issue of Units,~~ a rights issue, an issue of new Units otherwise than by way of a rights issue ~~or~~, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as ~~correspond~~ corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each ~~Holders~~ Holder's entitlement to Units, truncate but not round off to the nearest

whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

- That Clause 5.1 be amended by inserting the following clauses after Clause 5.1.2, and the existing Clause 5.1.3 and Clause 5.1.4 be deleted:

  5.1.3 Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST. The total number of issued preference Units shall not exceed the total number of ordinary Units at any time. Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrears.

  5.1.4 The Manager has power to issue further preference capital ranking equally with, or in priority to, preference Units already issued.

- That Clause 5.2 be amended by inserting the following clauses after Clause 5.2.2, and the subsequent clauses be re-numbered accordingly:

  5.2.3 Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of meetings of Holders in proportion, as far as circumstances admit, to the number of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Manager may dispose of those Units in a manner as it thinks most beneficial to the Trust. The Manager may likewise dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Manager, be conveniently offered under this provision.

- That Clause 5 be amended by inserting the following clauses after Clause 5.3 and the subsequent clauses be re-numbered accordingly:

  5.4 **Units Issued on Unpaid or Partly Paid Basis**

  5.4.1 Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

  5.4.2 In the event that the Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.4.3 and 5.4.4 shall apply.

5.4.3 Calls on Units

(i) The Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.

(ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Manager may determine.

(iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Manager may determine but the Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

(iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In cases of non-payment, all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(v) The Manager may on the issue of Units differentiate between the Holders as to the amount of calls to be paid and the times of payment.

(vi) The Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.

5.4.4 Forfeiture and Lien

(i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.

(ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.

(iii) If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Manager may accept a surrender of any Unit liable to be forfeited hereunder.

(iv) A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the Holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Manager thinks fit. The Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.

(v) A Holder whose Units have been forfeited or surrendered shall cease to be a Holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Manager may determine) from the date of forfeiture or surrender until payment and the Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.

(vi) The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distribution from time to time declared in respect of such Units. Such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts as the Trust may be called upon by law to pay in respect of the Units of the Holder or deceased Holder. The Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause 5.4.4.

(vii) The Trust may sell in such manner as the Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the Holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.

(viii) The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale, the Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.

(ix) A statutory declaration in writing that the declarant is a director or secretary of the Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.

- That Clause 5.11.7 be amended in accordance with the following additions indicated by the underlined text below:

  5.11.7 when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

- That Clause 5 be amended by inserting the following clause after Clause 5.11:

  5.12 **Issue of Instruments Convertible into Units**

  The Manager may issue instruments which may be convertible into Units (including without limitation any Securities, options, warrants, debentures or other instruments) for consideration or no consideration and on such terms of offer and issue as the Manager may determine, subject to Clause 5.1 and Clause 5.2.3 and all Relevant Laws, Regulations and Guidelines relating to the offer or issue of instruments which may be convertible into Units.

- That Clause 6.1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

6.1 **Valuation of Investments**

The Value of an Authorised Investment at any given date means:

6.1.1 ~~(~~in the case of an Investment falling within any paragraph of the definition of "**Authorised Investment**" which is not in the nature of Real Estate ~~in the form of land~~, whether held directly by the Trust, or indirectly through a holding of shares, units, rights or interests (as the case may be) in a Special Purpose Vehicle, and subject to Clauses 6.1.4 to 6.1.6~~)~~ the Acquisition Cost thereof on its Acquisition Date;

6.1.2 ~~(~~in the case of an Investment falling within any paragraph of the definition of "**Authorised Investment**" which is in the nature of Real Estate in the form of land and subject to Clauses 6.2 to 6.4~~)~~:

(i) on the Trust's acquisition of an Authorised Investment, its Acquisition Cost thereof on its Acquisition Date, or if a valuation by an Approved Valuer of such Authorised Investment had been obtained in connection with and prior to the Trust's acquisition of such Authorised Investment, the Value of such Authorised Investment as determined by such valuation and in the event of inconsistency, the Value of the Authorised Investment as determined by such valuation should apply; and

(ii) on a subsequent valuation by an Approved Valuer of such Authorised Investment obtained pursuant to any of the provisions of this Deed since the date of the Trust's acquisition of such Authorised Investment, the Value of such Authorised Investment as determined by such valuation;

6.1.3 ~~(~~in the case of an Investment falling within any paragraph of the definition of "**Authorised Investment**" which is in the nature of a Special Purpose Vehicle owning ~~a~~ Real Estate in the form of land~~)~~, and subject to Clauses 6.2 to 6.4, the Acquisition Cost thereof on its Acquisition Date, or if a valuation by an Approved Valuer of such Authorised Investment has been obtained in connection with and prior to such Authorised Investment or has been obtained subsequent to such acquisition pursuant to the provisions of this Deed, the Value of such Authorised Investment as determined by such valuation; and in each case, less any impairment in net recoverable value. Net recoverable value of the Special Purpose Vehicle is determined based on the higher of the net selling price of the Special Purpose Vehicle or the net book values of the underlying assets less liabilities of the Special Purpose Vehicle;

6.1.4 ~~(~~in the case of an Investment falling within any paragraph of the definition of "**Authorised Investment**" which is in the nature of listed ~~securities~~ Securities or units in a unit trust or participation in a collective investment scheme or a money market investment~~)~~, the ~~value~~ Value of such ~~an~~ Investment calculated by reference to the price appearing to the Manager to be the official closing price or the last known transacted price or the last transacted price as at the last official close on the relevant market ~~before 1700 hours (Singapore time)~~ at the time of calculation (or at such other

time as the Manager may from time to time after consultation with the Trustee determine)~~; where~~. If such ~~Quoted~~ Investment is listed, dealt or traded in more than one market, the Manager (or such person as the Manager~~s~~ shall appoint for the purpose) may in its ~~their~~ absolute discretion select any one of such markets for the foregoing purposes and, if there be no such official closing price or the last known transacted price or last transacted price, the ~~value~~ Value shall be calculated by reference to the mean of bid and offer prices quoted by any market maker for such Investment, or other appropriate price determined by the Manager in consultation with the Trustee, or by such other person approved by the Trustee in relation to such Investment, PROVIDED THAT if such quotations do not, in the opinion of the Manager, represent a fair value of such Investment, then the Value of such Investment shall be any reasonable value as may be determined by the Manager with the consent of the Trustee, or by such other person approved by the Trustee, and in determining such reasonable value, the Manager may rely on quotations for such Investment on an over-the-counter or telephone market or any certified valuation by a Stockbroker. The Manager and the Trustee shall not incur any liability by reason of the fact that a price reasonably believed by them to be the last sale price or other appropriate closing price may be found not to be such, PROVIDED THAT such liability shall not have arisen out of the fraud, gross negligence or wilful default of, or a breach of this Deed by, the Manager or the Trustee or a breach of trust by the Trustee;

6.1.5 ~~(~~in the case of an Investment falling within any paragraph of the definition of "**Authorised Investment**" which is in the nature of Securities but not quoted, listed or dealt in on the SGX-ST ~~or any Recognised Stock Exchange)~~, the Value of such ~~an~~ Investment shall be calculated by reference to the mean of the bid and offer prices quoted by such persons, firms or institutions determined by the Manager to be dealing or making a market in such Investment, or by such other person approved by the Trustee, at the close of trading in the relevant market on which such Investment is traded. However, if such price quotations are not available, the Value shall be determined by reference to the face value of such Investment, the prevailing term structure of interest rates and the accrued interest thereon for the relevant period; or

6.1.6 ~~(~~in the case of an Investment falling within any paragraph of the definition of "**Authorised Investment**" which is in the nature of ~~cash~~ Cash, deposits and other similar assets~~)~~, such ~~an~~ Investment shall be valued at its face value (together with accrued interest) unless, in the opinion of the Manager (after consultation with the Trustee), any adjustment should be made to reflect the value thereof,

and the "**Value of the Deposited Property**" at any given date means the aggregate Value of all Authorised Investments comprising the Deposited Property at the relevant date based on the latest valuation (or if more than one valuer was appointed to conduct valuations of the same property as at the same date, the average of such valuations). Any changes to the valuation rules as provided in this Clause 6.1 shall require the prior approval of the Trustee and the Trustee shall determine if the Holders should be informed of such changes.

- That Clause 6.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

6.2 **Valuation of Real Estate Investments**

~~6.2.1 For as long as the Trust is Listed, a full valuation of each of the Trust's Real Estate in the form of land must be conducted by an Approved Valuer at least once a year or such other prescribed period, in accordance with the Property Funds Guidelines and any applicable code of practice for asset valuations.~~

~~6.2.2 Save for the issue of Units pursuant to Clause 5, where the Manager proposes to issue new Units for subscription or to redeem existing Units, a valuation of all the Real Estate in the form of land of the Trust must be conducted by an Approved Valuer in accordance with the Property Funds Guidelines.~~ For as long as the Trust is authorised as a collective investment scheme under the Securities and Futures Act, the Trust shall comply with all the requirements of the Property Funds Appendix relating to the valuation of each of the Trust's Real Estate (including, but not limited to, the frequency and method of valuation). The Manager or the Trustee may at any other time arrange for the valuation of any Real Estate of the Trust if it is of the opinion that it is in the best interests of Holders ~~or (as the case may be) the Depositors~~, to do so.

- That Clause 7.1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

7.1 **Repurchase and Redemption Restrictions when Trust is Unlisted**

~~Prior to the Listing Date~~ When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. ~~The~~ Where the Manager ~~may (but is not obliged to)~~ offers to repurchase or cause the redemption of Units issued ~~prior to~~ when the ~~Listing Date~~ Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause ~~7.6~~ 7.3.

- That Clause 7.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

7.2 **Repurchase and Redemption Restrictions when Trust is Listed**

7.2.1 General

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. ~~In the event the Manager decides to make any offer to repurchase or redeem Units, the Repurchase Price for a Unit shall be the Current Unit Value per Unit.~~ Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations ~~the Property Funds Appendix and the Listing Rules~~ and

Guidelines (including but not limited to the Listing Rules and the Property Funds Appendix). ~~Any offer to repurchase or redeem Units is required to be made known publicly to investors through the SGX-ST at least 14 calendar days before the offer is posted.~~ The Manager may, subject to the Relevant Laws, Regulations~~, the Property Funds~~ and Guidelines ~~and~~ (including but not limited to the Listing Rules and the Property Funds Appendix), suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11. ~~Any offer of repurchase or redemption of Units under this Clause 7.2 shall be offered on a pro-rata basis to all Holders.~~

7.2.2 Holders' Approval

For so long as the Trust is Listed on the SGX-ST, the Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the "**Unit Buy-back Mandate**"), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.

7.2.3 Maximum Limit

The total number of Units which may be repurchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders, or such other limit as may be provided under the Relevant Laws, Regulations and Guidelines from time to time.

7.2.4 Duration of Authority

Repurchases of Units may be made during the Relevant Period. "Relevant Period" is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

(i) the date the next Annual General Meeting is or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or

(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,

whichever is the earliest.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.

- That Clause 7.3, Clause 7.4 and Clause 7.5 be deleted as indicated by the deleted text below and the subsequent clauses be renumbered:

~~7.3 **Repurchase and Redemption when Listed Units are Suspended or the Trust is Delisted**~~

~~After the Listing Date, if the Units have been suspended from trading for at least 60 consecutive calendar days or the Trust is delisted from the SGX-ST and on all securities exchanges on which the Units have been listed for quotation, the Manager hereby covenants to offer to redeem the Units within 30 calendar days from the end of the 60 consecutive calendar days of such suspension or (as the case may be) the date the Trust is delisted, and in accordance with the requirements set out in the Regulations and the Code.~~

~~7.4 **Procedure for Repurchase and Redemption**~~

~~In the event that the Manager decides or is required by this Deed, the Property Fund Guidelines or the Regulations, to make any offer to repurchase or redeem Units, the Manager will send an offer notice to Holders in the event of any such offer to repurchase or redeem Units. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase or redemption of their Units together with the certificate or certificates (if any) representing such Units. At such request in writing of a Holder (or, in the case of Joint-All Holders, all the Joint-All Holders and in the case of Joint-Alternate Holders, any one of the Joint-Alternate Holders), the Manager will repurchase or cause to be redeemed, in accordance with this Clause 7 and the Regulations and Property Funds Guidelines, such of the Units in relation to which the Holder is registered in the Register as are required by the Holder to be repurchased or redeemed.~~

~~7.5 **Minimum Holding**~~

~~A Holder shall not be entitled hereunder to the repurchase or redemption of part only of his holding of Units if his holding would thereby be reduced to less than the Minimum Holding and in any such event, the Manager shall be entitled to repurchase, or to cause the redemption of, all of his holding of Units if by such Holder's request his holding would be so reduced, and the following provisions of this Clause 7 are to be read and construed subject thereto.~~

- That Clause 7 be amended by inserting the following clauses after Clause 7.6:

7.7 **Manager of Repurchase**

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager may:

7.7.1 purchase or acquire Units through the trading system of the SGX-ST ("**Market Purchase**"); or

7.7.2 make an offer to repurchase Units, otherwise than on a securities exchange and by way of an "off-market" acquisition of the Units on an "equal access scheme" (as defined below) ("**Off-Market Purchase**"),

(each a form of "**Unit Buy-back**"), and to deal with any of the Units so purchased or acquired in accordance with this Clause 7.

For the purpose of this Clause 7, an "**equal access scheme**" is a scheme which satisfies the following criteria:

(i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:

(a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;

(b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and

(c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

7.8 **Procedure for Repurchase of Units via a Market Purchase**

For so long as the Trust is Listed, where Units are repurchased via a Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise a Market Purchase shall:

7.8.1 specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;

7.8.2 determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);

7.8.3 specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is or is required by law to be held, whichever is earlier; and

7.8.4 specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.8.1 to 7.8.3.

7.8.5 The authority for a Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

(i) specifying a particular sum; or

(ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9 **Procedure for Repurchase of Units via an Off-Market Purchase**

7.9.1 For so long as the Trust is Listed, where Units are repurchased via an Off-Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

(i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;

(ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);

(iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is or is required by law to be held, whichever is earlier; and

(iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.9.1(i) to 7.9.1(iv).

The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

(a) specifying a particular sum; or

(b) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9.2 For so long as the Trust is Listed, in the event that the Manager decides to make any offer to repurchase Units via an Off-Market Purchase, the Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Manager will repurchase, in accordance with this Clause 7, such of the Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.

7.10 **Reporting Requirements**

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager shall:

7.10.1 notify the SGX-ST (in the form of an announcement on the SGX-ST) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and

7.10.2 make an announcement on the SGX-ST at the same time it notifies the SGX-ST of any purchase of Units pursuant to any Unit Buy-back Mandate, that the board of directors of the Manager is satisfied on reasonable grounds that, immediately after the purchase of Units, the Manager will be able to fulfil, from the Deposited Property, the Liabilities as these liabilities fall due.

- That Clause 9.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

9.2 **Delisting of the Trust**

~~Notwithstanding anything in the Listing Rules, the~~ The Manager may only make an application to delist the Trust ~~after~~ if it ~~has been~~ is Listed if the ~~Depositors by a resolution passed by a vote representing 80% of more of the total number of votes cast for and against such a resolution at~~ delisting has been approved by an Extraordinary Resolution of a meeting of ~~Depositors~~ Holders duly convened and held in accordance with the provisions ~~contained in~~ of Schedule 1, ~~decide that the Trust is to be delisted~~ and in accordance with all Relevant Laws, Regulations and Guidelines.

- That Clause 10.4 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

10.4 **Ownership of Special Purpose Vehicles and Treasury Companies**

10.4.1 ~~The~~ Subject to the Relevant Laws, Regulations and Guidelines, the Trust may beneficially own all or part of the issued share capital ~~or~~ of or the issued units or interests or other form of rights (whether beneficial, economic or contractual) (as the case may be) ~~all or part of the issued units of~~ in a Special Purpose Vehicle or a Treasury Company by incorporating a Special Purpose Vehicle or a Treasury Company or acquiring shares, units or interests or other form of rights (whether beneficial, economic or contractual) (as the case may be) in a Special Purpose Vehicle or a Treasury Company if the Manager considers it necessary or desirable for the Trust (in which event the Manager shall instruct the Trustee to incorporate or acquire accordingly). For the purpose of this Clause 10.4.1, ~~investments~~ Investments or assets of the Trust which are held in any Special Purpose Vehicle or Treasury Company shall be deemed to be held or (as the case may be) made directly by the Trustee for the Trust. The Manager or its agents shall (to the extent possible, in the event that the Special Purpose Vehicle or Treasury Company is not wholly owned by the Trust) manage the assets held by any such Special Purpose Vehicle ~~and~~ or Treasury Company (as provided in Clause 10.4.2) and the Trustee shall (to the extent possible, in the event that the Special Purpose Vehicle or Treasury Company is not wholly owned by the Trust) have ultimate control over the objective and management of the Special Purpose Vehicle or Treasury Company (as provided in Clause 10.4.3). The Manager and the Trustee shall be entitled to claim all costs and expenses incurred in relation to the management of any such Special Purpose Vehicle ~~and~~ or Treasury Company from the Deposited Property. ~~All costs and expenses of establishing the entity and/or maintaining and administering the~~ Where the Trust holds its investments through one or more Special Purpose Vehicles or Treasury Companies, "Deposited Property" shall include (without any double-counting) the gross assets of

each of the Special Purpose Vehicles or Treasury Company, "Property Value" shall include the value of the Authorised Investments of the Special Purpose Vehicle or Treasury Company determined in accordance with Clause 6.1 and "Gross Revenue" shall include the gross revenue of each of the Special Purpose Vehicles or Treasury Companies before expenses for the relevant period, in each case pro-rated where applicable to the proportion of the Trust's interest in the relevant Special Purpose Vehicle or Treasury Company~~, whether incurred by the Manager or the Trustee or their agents, shall be payable from the Deposited Property~~. For the avoidance of doubt, the requirements of this Clause 10.4.1 shall only apply subject to overriding contractual obligations in the case of an Investment by the Trust as joint owner.

Subject to Clause 15, where the Trust holds its investments through one or more Special Purpose Vehicles or Treasury Companies, "**Deposited Property**" shall include the gross assets of each of the Special Purpose Vehicles or Treasury Companies, and pro-rated where applicable to the proportion of the Trust's interest in the relevant Special Purpose Vehicle or Treasury Company.

10.4.2 The Manager shall (to the extent possible, in the event that the Special Purpose Vehicle or, if applicable, Treasury Company is not wholly owned by the Trust) be charged with responsibility for the day-to-day management of the assets held by each Special Purpose Vehicle and Treasury Company and shall, at its discretion, make recommendations to the Trustee on the annual budget and the management and operation of such Special Purpose Vehicles and Treasury Companies, and generally (to the extent possible, in the event that the Special Purpose Vehicle or, if applicable, Treasury Company is not wholly owned by the Trust) carry out the activities in relation to the assets of such Special Purpose Vehicles and Treasury Companies in accordance with Clause 19.1. The Manager shall also have discretion, subject to approval by the Trustee, in recommending to the directors of the Special Purpose Vehicles and Treasury Companies the amount of dividends or distributions to be paid by each such Special Purpose Vehicle~~s~~ and Treasury Companies, ~~(~~where applicable~~)~~, to the Trust. For the avoidance of doubt, the requirements of this Clause 10.4.2 shall only apply subject to overriding contractual obligations in the case of an Investment by the Trust as joint owner.

10.4.3 Notwithstanding the provisions of Clause 13.1, the Trustee shall have the full rights to control, to the extent possible, the objective and management of any Special Purpose Vehicle and Treasury Company, including, without limitation, the right to appoint ~~its~~ representatives and/or such person(s) as it may deem fit and/or upon the recommendation of the Manager (including, without limitation, any such employee or nominee of the Manager as the Trustee may approve from time to time) to fill the seats on the board of directors (or, where applicable, the members of the governing body) of such Special Purpose Vehicle and Treasury Company available to be filled by the Trust. For the avoidance of doubt, the requirements of this Clause 10.4.3 shall only apply subject to overriding contractual obligations in the case of an Investment by the Trust as joint owner or investor. ~~In controlling the objective and management of such Special Purpose Vehicle, the Trustee shall ensure, to the extent possible, that such Special~~

~~Purpose Vehicle shall at all times be required to hold or own, directly or indirectly one single Real Estate in the form of land for and on behalf of the Trust.~~

10.4.4 In the discharge of its obligations above, the Manager shall, whenever requested by the Trustee and subject to overriding contractual obligations in the case of an Investment by the Trust as joint owner, propose such of its employees or other relevant persons to act as the directors (or equivalent member of the governing body) of the Special Purpose Vehicle and Treasury Company and, in relation to such proposal, provide such information in relation to the candidate as the Trustee may reasonably require. The manner in which the Trustee is to (i) approve the candidate proposed by the Manager and (ii) appoint (and remove) such candidate to act as the director (or equivalent member of the governing body) of the Special Purpose Vehicle and Treasury Company shall be agreed between the Trustee and the Manager from time to time or, failing such agreement, shall be determined by the Trustee in its absolute discretion. The Manager shall take all steps within its powers as may be required or necessary to give effect to the decision of the Trustee in relation to the appointment or removal of any such director (or equivalent member of the governing body) of the Special Purpose Vehicle and Treasury Company.

10.4.5 The Manager shall procure and ensure that such directors (or equivalent member of the governing body) of the Special Purpose Vehicle and Treasury Company nominated by the Manager and appointed by the Trustee, to the extent applicable, observe and to be bound by the same investment policies, strategies, duties, obligations and restrictions which are imposed on the Manager under this Deed (including without limitation, the provisions of Clause 19.1 and the Relevant Laws, Regulations and Guidelines and any Tax Ruling (where applicable)). The Manager shall indemnify and keep indemnified the Trustee and the Trust from and against all actions, claims, proceedings, losses, damages, costs, charges and expenses suffered or incurred by the Trustee or the Trust in consequence of such person's default under this Clause 10.4.5 or any other act, failure to act or negligence.

10.4.6 Notwithstanding the above, the Trustee or its nominees shall, and the Manager and its nominees shall ensure that the Trustee and its nominees shall, (i) have the right and be able to attend, and to have observers present at, meetings of the board of directors (or equivalent governing body) of the Special Purpose Vehicle and Treasury Company and (ii) be provided with all board papers, information, statements, and any other documents, relating to such meetings, whether on a regular basis or upon request by the Trustee.

10.4.7 Subject to and without prejudice to any additional requirements specified by the Relevant Laws, Regulations and Guidelines, the following matters in relation to each Special Purpose Vehicle (which, for the purposes of this Clause 10.4.7, shall also refer to each Treasury Company) shall require the consent of the Trustee:

(i) amendment of the provisions of the constitutive documents of the Special Purpose Vehicle;

(ii) cessation or change of the business of the Special Purpose Vehicle;

(iii) changes to the investment policies of the Special Purpose Vehicle;

(iv) changes to the dividend distribution policies of the Special Purpose Vehicle;

(v) liquidation, winding-up, termination or other event of analogous effect of the Special Purpose Vehicle;

(vi) changes in the equity or capital structure of the Special Purpose Vehicle;

(vii) changes to the rights attached to any Class of share or equity capital of the Special Purpose Vehicle;

(viii) issue of shares, equity capital or other equity securities (including any options over such shares, equity capital or other equity securities) by the Special Purpose Vehicle;

(ix) creation of any security or charge over the assets of the Special Purpose Vehicle or any part thereof;

(x) direct or indirect acquisition of any form of investment;

(xi) direct or indirect transfer or disposal of the assets of the Special Purpose Vehicle or any part thereof other than in the ordinary course of business of the Special Purpose Vehicle;

(xii) approval of asset enhancement and capital expenditure plans for the assets;

(xiii) entry into Related Party transactions;

(xiv) appointment or removal of, or change in, any person or persons appointed pursuant to Clause 10.4.3 to be the directors (or members of the equivalent governing body) of the Special Purpose Vehicle;

(xv) approval of the terms of reference of, any agreement in relation to, or any change to the terms of reference of or any agreement in relation to, any person or persons appointed pursuant to Clause 10.4.3 to be the directors (or members of the equivalent governing body) of the Special Purpose Vehicle;

(xvi) provision of loans or credit to any party otherwise than in the ordinary course of business of the Special Purpose Vehicle;

(xvii) incurrence of borrowings, entry into any loan or credit facilities or foreign exchange trading, financial futures trading or financial derivatives trading by the Special Purpose Vehicle; and

(xviii) commencement or settlement of any litigation, arbitration or other proceedings by the Special Purpose Vehicle (except for collection of debts in the ordinary course of business of the Special Purpose Vehicle).

For the avoidance of doubt, nothing contained in this Clause 10.4 shall prejudice or limit the duties and responsibilities of the board of directors of any Special Purpose Vehicle under any applicable laws and regulations or otherwise limit its right to take any action duly authorised by its shareholders and/or boards of directors or other governing body under the laws of its jurisdiction of formation, and the constitution, charter, by-laws or other governing documents of such Special Purpose Vehicles.

- That Clause 10.7 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

10.7 **Tax Indemnity**

If required by the IRAS, the Trustee is hereby authorised to provide to the IRAS an indemnity, on terms and conditions agreed by the Manager pursuant to ~~the~~ any Tax Ruling, in relation to any failure by a Holder ~~or (as the case may be) a Depositor~~ to pay any Tax payable by him on any part of a distribution made by the Trustee to the Holders ~~or (as the case may be) the Depositors~~, including any unrecovered late payment penalty, under this Deed. Nothing in this Deed shall prevent the Trustee from recovering any payment from the Holder which the Trustee makes to the IRAS as a result of any failure of a Holder to pay any tax which is payable by him.

- That Clause 10.10 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

10.10 **Trustee to be Indemnified Against Personal Liability**

Unless the Trustee is indemnified to its satisfaction against all liability which it may incur on that account or the Trustee does not require in any particular case to be so indemnified, no investment shall be made in any Authorised Investment the holding of which by the Trustee exposes or may expose the Trustee and/or its directors, officers, employees or staff to any personal liability (whether actual, contingent, prospective or of some other kind) and the Trustee and/or its directors, officers, employees or staff shall not be bound to enter into any ~~building or other~~ contract or other transaction under which it may be exposed to any such personal liability.

- That Clause 10.12.1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

10.12.1 Subject to Clause 10.12.2 and ~~the Property Funds~~, where applicable, the Relevant Laws, Regulations and Guidelines, the Manager may, whenever it considers it:

(i) necessary or desirable in order to enable the Trustee to meet (in the case of an Investment by the Trust as joint owner) any contractual obligations between the Trustee and/or the Manager and other joint owners of the Investment or the relevant Special Purpose Vehicle or Treasury Company or any liabilities under or in connection with the trusts of this Deed or with any Investment; or ~~whenever the Manager considers it~~

(ii) desirable that moneys be lent, borrowed or raised to finance the acquisition of any Authorised Investment directly or indirectly through holdings of shares, units or any other interest(s) in Special Purpose Vehicles or Treasury Companies, the acquisition of any Real Estate or beneficial interests in Real Estate or the redemption of Units by the Manager ~~pursuant to Clause 7.9~~,

require the Trustee to lend, borrow or raise moneys or guarantee any indebtedness (upon such terms and conditions as the Manager thinks fit and, in particular, by charging or mortgaging all or any of the Investments) and the Trustee shall give effect to such requisition, and PROVIDED THAT the Trustee shall not be required to execute any instrument, lien, charge, pledge, hypothecation, mortgage, guarantee or agreement in respect of the lending, borrowing or raising of moneys or guaranteeing of any indebtedness which (in the opinion of the Trustee) would cause the Trustee's liability to extend beyond the limits of the Deposited Property, and PROVIDED FURTHER THAT where moneys are borrowed for the purposes of redemption of Units, such borrowings shall be repaid within six months from the date on which such borrowings are made. Subject to Clause 10.12.2, the Trustee with the consent of the Manager may~~,~~: (a) whenever it thinks it necessary or desirable in the interests of Holders ~~or (as the case may be) Depositors~~ to do so or considers it necessary or desirable to enable the Trustee to meet (in the case of an Investment by the Trust as joint owner) any contractual obligations between the Trustee and/or the Manager and other joint owners of the Investment or the relevant Special Purpose Vehicle or Treasury Company or any liabilities as aforesaid ~~raise or~~ lend, borrow or raise any sum or sums of money and, to such end, may, without limitation, issue ~~securities~~ Securities (whether convertible into Units or otherwise) in respect of any borrowing or liability, encumber any Investment~~s~~ and secure the repayment of moneys and interest costs and other charges and expenses in such manner and upon such terms and conditions in all respects as the Trustee may think fit and, in particular, by charging or mortgaging all or any of the Investments or provide such priority, subordination or sharing of any liabilities owing to the Trust in such manner and upon such terms and conditions in all respects as the Trustee may think fit; and (b) whenever it thinks it necessary or desirable in the interests of the Holders to do so, repay any liabilities in respect of, purchase, repurchase, buy-back, redeem and/or cancel the Securities described in this Clause 10.12.1 in such manner and upon such terms and conditions in all respects as the Trustee may think fit.

Without prejudice to the generality of Clause 19.1, the Manager shall have the power and authority to prepare and issue for and on behalf of the Trust any offering circular, information memorandum, and/or other offering or related documents in connection with the issuance of any Securities ~~Trust borrowing, obtaining any facilities or financing though an orphaned Special Purpose Vehicle or Treasury Company which in turn (i) borrows, obtains any facilities or financing through a syndicate of banks structured (pursuant to a mandate granted by the Trust) for the sole purpose of funding such Special Purpose Vehicle's loans or facilities to the Trust or (ii) issues any Securities for the sole purpose of funding such Treasury Company's loans or facilities to the Trust or any company or entity which the Trust owns an interest (whether directly or indirectly)~~.

- That Clause 10 be amended by inserting the following clause after Clause 10.12.10:

  10.12.11 The Manager may, whenever it considers it necessary or desirable in order to further the interests of the Holders as a whole, require the Trustee to lend moneys out of the Deposited Property to any entities which the Trust owns (whether wholly or partially) on such terms and conditions as may be determined by the Manager, subject to compliance with the Relevant Laws, Regulations and Guidelines.

- That Clause 11.11 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  11.11 **Distribution Policy**

  The Manager and the Trustee acknowledge that subject to Clause 11.1, the Trust's distribution policy ~~on and after the Listing Date~~ is to distribute as much of its ~~income~~ Income as practicable (subject to retention of such amounts as the Manager considers would be in the interests of Holders and having regard to the future capital requirements of the Trust).

- That Clause 11 be amended by inserting the following clause after Clause 11.12:

  11.13 **Distribution of Capital and Unrealised Gains**

  Subject to the Relevant Laws, Regulations and Guidelines, the Manager may with the consent of the Trustee (which consent shall not be unreasonably withheld) cause the distribution of an amount which represents:

  11.13.1 part of the capital of the Trust and which the Manager reasonably determines to be in excess of the financial needs of the Trust;

  11.13.2 part or all of the unrealised gains (including any revaluation gains) due to the increase in the capital value of the Real Estate held by the Trust; and/or

  11.13.3 any other amount as the Manager deems appropriate.

- That Clause 12.4 be amended by inserting the following clauses after Clause 12.4.2:

  12.4.3 Clauses 12.4.1 and 12.4.2 shall not apply to moneys payable to a Holder which remain unclaimed where the Trust is Listed and to the extent that such unclaimed moneys are held by the Depository. Subject to Clause 26, the Trustee shall cause such sums which are returned by the Depository to the Trustee (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such Holder) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder, PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property for such payment.

12.4.4 Notwithstanding the foregoing but subject to any Relevant Laws, Regulations and Guidelines, if such unclaimed moneys payable to Holders are, in the opinion of the Trustee (in consultation with the Manager) insufficient or impractical to be paid into the courts of Singapore pursuant to Clauses 12.4.2 and 12.4.3, the said amount shall, to the extent permitted by Relevant Laws, Regulations and Guidelines, be dealt with in such manner as the Manager may direct, PROVIDED THAT the Trustee shall be entitled to have recourse to the Deposited Property in respect of any fees and expenses incurred in complying with this Clause 12.4.4.

- That Clause 15.1.1(iii) be amended in accordance with the following additions indicated by the underlined text:

(iii) The Base Fee shall accrue on each day of each calendar month in respect of the period up to and including the last day of that calendar month. The Base Fee shall be payable out of whichever bank account of the Trust the Manager in its discretion shall decide. The amount accruing on each day of each month shall be a sum equal to the appropriate percentage of the Value of the Deposited Property on the last day of the calendar month multiplied by the number of days in the relevant period and divided by 365. The "**appropriate percentage**" for the purposes of this Clause 15.1.1(iii) shall be the rate of the Base Fee applicable on the relevant day.

- That Clause 15.1.1(iv) be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

(iv) The Base Fee may at the discretion of the Manager be structured ~~at the initial public offering of Units and subsequently~~ as payable in the form of ~~cash~~ Cash or Units or a combination of both ~~cash~~ Cash and Units in such proportions as may be determined at the option of the Manager, and be based generally in relation to the Value of the Deposited Property as a whole. If payment is in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee at the Issue Price ~~with reference~~ equal to the Market Price ~~determined under Clause 5.3.1 or, if applicable, Clause 5.3.4 determined as at the end of each calendar quarter~~. For this purpose and for the purposes of Clause 15.1.1(v), "**Market Price**" means the volume weighted average traded price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten Business Days immediately preceding (and for the avoidance of doubt, including) the end of the relevant calendar quarter which such fees relate to, or if the Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit (which may include, without limitation, instances where the volume of trades in the Units is very low or there is disorderly trading activity in the Units), means an amount as determined by the Manager (after consultation with a Stockbroker approved by the Trustee), and as approved by the Trustee, as being the fair Market Price of a Unit. In the event the payment or part thereof is to be made in the form of Units and the Holders' prior approval is required for the issue of such Units pursuant to Clause 5.2.5 but is not obtained, then the payment to the Manager for that portion of the Base Fee shall be made in the form of cash.

- That Clause 15 be amended by inserting the following clauses after Clause 15.7:

15.8 **Remuneration of the Property Manager**

Any fees payable to any property manager of the Trust (including any Special Purpose Vehicle of the Trust) shall (subject to the relevant property management agreement) be in the form of Cash and/or Units as the Manager may in its sole discretion determine, such determination to be made prior to the payment of such fees.

15.9 **Form and Time of Payment of Fee Payable to any Property Manager**

15.9.1 Where the fees payable to any property manager of the Trust (including any Special Purpose Vehicle of the Trust) are payable in the form of Units, such payment shall be made within 30 days of the last day of every calendar quarter (or such longer period as the Manager may determine in the event that such fee cannot be computed within 30 days of the last day of the calendar quarter), in arrears.

15.9.2 Where the fees payable to any property manager of the Trust (including any Special Purpose Vehicle of the Trust) is payable in the form of Cash, such payment shall be made out of the Deposited Property (or as the case may be, the relevant Special Purpose Vehicles) within such period of time as provided for in the relevant property management agreement in arrears and in the event that Cash is not available out of the Deposited Property (or as the case may be, the relevant Special Purpose Vehicles) to make the whole or part of such payment, then payment of such fee due and payable to the property manager of the Trust shall be deferred to such period when Cash is available out of the Deposited Property (or as the case may be, the relevant Special Purpose Vehicles).

15.9.3 When the fees payable to any property manager of the Trust (including any Special Purpose Vehicle of the Trust) is paid in the form of Units, the property manager or any person which the property manager may designate or nominate (including but not limited to the related corporations of the property manager) (subject to the relevant property management agreement) shall be entitled to receive such number of Units as may be purchased with such amount of fees determined or attributable to the relevant period at an Issue Price equal to the Market Price. For this purpose, "**Market Price**" means the volume weighted average traded price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten Business Days immediately preceding (and for the avoidance of doubt, including) the end of the relevant calendar quarter which such fees relate to, or if the Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit (which may include, without limitation, instances where the volume of trades in the Units is very low or there is disorderly trading activity in the Units), means an amount as determined by the Manager (after consultation with a Stockbroker approved by the Trustee), and as approved by the Trustee, as being the fair Market Price of a Unit.

15.9.4 In the event that payment is to be made in the form of Units and the Holders' prior approval was required for the issue of such Units pursuant to Clause 5.2.5 but was not obtained, then the payment to the property manager for that portion of the fee shall be made in the form of cash.

15.9.5 All Units issued to the property manager of the Trust under Clause 15.9 shall be credited as fully paid and rank *pari passu* with other Units of the same class and the property manager of the Trust, or any person which the property manager of the Trust may designate or nominate (including but not limited to the subsidiaries of the property manager of the Trust) (subject to the relevant property management agreement), shall be entitled to all the rights attached to any Units issued to it under this Clause 15.9 as any other Holder of Units.

- That Clause 17.6 be amended in accordance with the following additions indicated by the underlined text below:

17.6 **Saving Clause as to Indemnities**

Any indemnity expressly given to the Trustee or the Manager in this Deed is in addition to and without prejudice to any indemnity allowed by law; PROVIDED NEVERTHELESS THAT any provision of this Deed shall be void insofar as it would have the effect of exempting the Trustee or the Manager from or indemnifying it against any liability for breach of this Deed or breach of trust (in the case of the Trustee) or any liability which by virtue of any rule of law would otherwise attach to it in respect of any fraud, gross negligence or wilful default of which it may be guilty in relation to its duties or where it fails to show the degree of diligence and care required of it having regard to the provisions of this Deed.

The Trustee and the Manager shall be entitled to be indemnified out of the Deposited Property in respect of any liability that each of them may incur pursuant to a proper exercise of its powers and duties under this Deed or at law, despite any loss that the Trust may have suffered or any diminution in the value of the Deposited Property due to an unrelated act or omission by the Trustee and/or the Manager or by any person acting on behalf of the Trustee and/or the Manager.

For the avoidance of doubt, the indemnities provided under this Deed shall to the fullest extent permitted by law, continue to apply after the Trustee and/or the Manager resign or are removed as trustee and manager (respectively) of the Trust for any liability that each of them may have incurred pursuant to a proper exercise of its powers and duties under this Deed or at law.

- That Clause 17 be amended by inserting the following clauses after Clause 17.11:

17.12 **Anti-money Laundering Measures etc.**

Any of the Trustee, the Manager and/or their respective Associates may take any action which the Trustee, the Manager and/or the relevant Associate(s) (as the case may be), in its sole and absolute discretion, considers appropriate so as to comply with any law, regulation, rule, directive or request of a governmental, statutory or regulatory authority or any group policy of the Trustee or the Manager which relate to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to any persons or entities which may be subject to sanctions (collectively, the "**Relevant Requirements**"). Such action may include, but is not limited to, the interception and investigation of transactions in

relation to any Holder (particularly those involving the international transfer of funds) including the source of or intended recipient of funds paid in or out in relation to the Holder and any other information or communications sent to or by the Holder or on the Holder's behalf. In certain circumstances, such action may delay or prevent the processing of instructions, the settlement of transactions in respect of any Holder or the performance by the Trustee and/or the Manager of its or their respective obligations under this Deed, but where possible, the Trustee and/or the Manager will endeavour to notify the Holders of the existence of such circumstances. The Trustee, the Manager and their respective Associates will not be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of or caused in whole or in part by any actions which are taken by the Trustee, the Manager and/or any of their respective agents or Associates to comply with the Relevant Requirements (including, without limitation, those actions referred to in this Clause 17.12).

- That Clause 18.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

18.2 **Manager's Statements may be Accepted**

The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Manager. Whenever pursuant to any provision of this Deed any certificate, notice, instruction or other communication is to be given by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any one person whose signature the Trustee is for the time being authorised by the Manager to accept and may act on ~~facsimile~~ instructions given by authorised officers of the Manager specified in writing by the Manager to the Trustee which are sent by letter, facsimile transmission, email or other electronic means although the same contains some error or shall not be authentic.

- That Clause 18.4 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

18.4 **Trustee not Responsible for Errors of Judgment**

Without prejudice to the powers, authorities and discretions of the Trustee under the Trustees Act, the Trustee may act upon any advice of or information obtained from the Manager or any bankers, accountants, brokers, lawyers, Approved Valuers, Stockbrokers, agents or other persons acting as agents or advisers of the Trustee and/or the Manager and the Trustee shall not be liable for anything done or suffered to be done or omitted to be done in reliance upon such advice or information. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, Approved Valuer, Stockbroker, agent or other person as aforesaid or of the Manager. Any such advice or information may be obtained or sent by letter, facsimile transmission, ~~telex message~~ email or other electronic means and the Trustee shall not be liable for acting in good faith and in the absence of fraud, gross negligence, wilful default, breach of this Deed or breach of trust on any advice or information purported to be conveyed by any such letter, facsimile transmission, ~~telex message~~ email or other electronic means although the same contains some error or shall not be authentic.

- That Clause 18.14 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

18.14 **Powers of Trustee**

Subject to the provisions of this Deed~~, (and where applicable) the Code, the Securities and Futures Act, Property Funds Guidelines and the~~ and the Relevant Laws, Regulations and Guidelines, and without in any way affecting the generality of the foregoing, the Trustee on the recommendation of the Manager in writing shall be deemed to have full and absolute powers in respect of the Trust of:

18.14.1 purchasing or selling any part of the Deposited Property for ~~cash~~ Cash or Authorised Investments including the granting or purchasing of options;

18.14.2 leasing, sub-leasing, licensing and sub-licensing or procuring the leasing, sub-leasing, licensing and ~~sub-leasing~~ sub-licensing by any relevant Special Purpose Vehicle, real and personal property to and accepting surrenders thereof from any person including any Related Party of the Manager with power to compromise with lessees, sub-lessees, licensees, sub-licensees and others as well as to execute and pay for repairs and improvements;

18.14.3 instituting, prosecuting, compromising and defending legal proceedings including legal proceedings instituted to secure compliance with the provisions of this Deed and the terms of any ~~prospectus~~ Prospectus and legal proceedings instituted to recover any loss suffered by Holders ~~or (as the case may be) Depositors~~ in respect of their investment under this Deed subject always to Clause 18.8;

18.14.4 entering into, performing and enforcing agreements;

18.14.5 issuing powers of attorney to appoint any person to be the attorney for the Trustee, PROVIDED THAT any power of attorney appointing the Manager as the attorney of the Trustee shall not permit the Manager to enter into any interested party transaction or interested person transaction (both as referred to in Clause 16), which transaction value exceeds 3.0% of the Net Asset Value of the Deposited Property;

18.14.6 insuring the Investments of the Trust pursuant to Clause 10.16;

18.14.7 requisitioning, attending and voting at meetings of corporations, shares in the capital of which ~~the holders or members of any Securities issued by any entity including, without limitation, any corporation or trust, where those Securities~~ are Investments;

18.14.8 subject to Clause 10.12.2, lending~~, raising or~~ to any entities which the Trust owns and borrowing or raising moneys with or without security for the purposes of the Trust;

18.14.9 creating, giving, renewing, altering or varying any mortgage, charge or other encumbrance over the Deposited Property or any part thereof in accordance with Clause 10.12 to secure the payment of any money or the performance of any obligation whatsoever or howsoever arising of any person upon such terms and conditions as the Trustee and the

Manager may think fit and discharging wholly or partially any such mortgage charge or other encumbrance;

18.14.10 giving in favour of any person any guarantee or indemnity or any guarantee and indemnity for the payment of money or for the performance of any obligation whatsoever or howsoever arising of any person and the Trustee may secure any part or parts of the Deposited Property;

18.14.11 developing, building, demolishing, altering, repairing, extending, rebuilding, improving, replacing or reconstructing any Investment in whole or in part;

18.14.12 subdividing or consolidating into lots any Real Estate for the time being comprised in the Deposited Property and for such purpose or otherwise to dedicate, vest in, transfer or grant to the Singapore ~~government~~ Government or any ~~government or other~~ governmental, statutory or regulatory authority of Singapore or elsewhere or any person any portion of such Real Estate or any rights therein or to accept any grant or transfer from the Singapore Government or any governmental, statutory or regulatory authority of Singapore or elsewhere or any person of any portion of Real Estate or any rights therein and any similar arrangements facilitating the development or other work specified in Clause 18.14.11;

18.14.13 paying any outgoings connected with the Deposited Property or this Deed which are not otherwise payable by the Manager, including, without limitation, all taxes imposed in connection with the Deposited Property;

18.14.14 approving annual budgets prepared by the Manager for the Trust and the management and operation of the Investments of the Trust;

18.14.15 in relation to each Special Purpose Vehicle and each Treasury Company owned ~~or to be owned~~ by the Trust, incorporating or otherwise establishing and liquidating, winding up or otherwise terminating such Special Purpose Vehicle or Treasury Company~~, (where applicable)~~ and transferring any Authorised Investment held by any one Special Purpose Vehicle or Treasury Company to another Special Purpose Vehicle or Treasury Company (~~as the case may be and~~ where applicable) ~~and ensuring that the provisions of Clause 10.4.3 are complied with~~;

18.14.16 generally, on the recommendations of the Manager, managing and turning to account the Investments; ~~and~~

18.14.17 exercising all the rights, powers and authorities vested in the Trustee by virtue of its ownership of the Deposited Property or otherwise by any statute, the common law or rules of equity; and

18.14.1~~7~~8 doing such other things as may appear to the Trustee to be incidental to any or all of the above powers,

and none of the provisions of this Clause 18.14 shall be read down to limit (i) the powers conferred on the Trustee by any of the other provisions and each provision shall be severally considered or (ii) the powers of the Trustee under the Trustees Act or (iii) any powers of the Trustee under the Relevant Laws, Regulations and Guidelines.

For the avoidance of doubt, nothing contained in this Clause 18.14 shall prejudice or limit the duties and responsibilities of the board of directors of a subsidiary of the Trust under any applicable laws and regulations or otherwise limit its right to take any action duly authorised by its shareholders and/or boards of directors or other governing body under the laws of its jurisdiction of formation, and the constitution, charter, by-laws or other governing documents of such subsidiary of the Trust.

- That Clause 19.1 be amended by inserting the following clause after Clause 19.1.22 and the subsequent clauses be renumbered accordingly:

19.1.23 carry out the repurchase and/or redemption of Units if at any time the Trust or Units becomes Unlisted in accordance with the provisions of this Deed, the Code or any other Relevant Laws, Regulations and Guidelines, and in respect of any terms which are necessary to carry out such repurchase and/or redemption but are not prescribed by this Deed, the Code, the Listing Rules or any other Relevant Laws, Regulations and Guidelines, such terms shall be determined by mutual agreement between the Manager and the Trustee;

- That Clause 19.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

19.2 **Manager not Responsible for Errors of Judgement**

The provisions of this Clause 19.2 are subject to Clause ~~19.8~~ 19.9. The Manager may act upon any advice of or information obtained from any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Manager and the Manager shall not be liable for anything done or suffered to be done or omitted to be done in reliance upon such advice or information, PROVIDED THAT the Manager has acted in good faith and with due care in the appointment thereof. The Manager shall not be responsible for any misconduct, mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid PROVIDED FURTHER THAT the Manager has acted in good faith and with due care in the appointment thereof. Any such advice or information may be obtained or sent by letter, ~~telex message~~ facsimile transmission, email or other electronic means and the Manager shall not be liable for acting in good faith and in the absence of fraud, gross negligence, wilful default or breach of this Deed on any advice or information purported to be conveyed by any such letter, ~~telex message~~ facsimile transmission, email or other electronic means although the same contains some error or shall not be authentic. Notwithstanding the above, the Manager shall be responsible at all times for the management of the Trust and the investment of the Deposited Property.

- That Clause 19.10 be deleted as indicated by the deleted text below and the subsequent clauses be renumbered:

~~19.10 **Directors' Disclosure Obligations**~~

19.10.1 Each director of the Manager shall give notice to the Manager of his acquisition of Units or to changes to the number of Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest, as applicable.

19.10.2 A director of the Manager is deemed to have an interest in Units in the following circumstances:

(i) where the director is the beneficial owner of a Unit (whether directly through a direct securities account with the Depository or indirectly through a depository agent or otherwise), he is deemed to have an interest in that Unit;

(ii) where a body corporate is the beneficial owner of a Unit and the director is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the body corporate, he is deemed to have an interest in that Unit;

(iii) where the directors' spouse or infant child (including step-child and adopted child) has any interest in a Unit, he is deemed to have an interest in that Unit;

(iv) where the director, his spouse or infant child (including step-child and adopted child):

(a) has entered into a contract to purchase a Unit;

(b) has a right to have a Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

(c) has the right to acquire a Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

(d) is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting holders of Units) to exercise or control the exercise of a right attached to a Unit, not being a Unit of which any of them is the holder,

the director is deemed to have an interest in that Unit; and

(v) where the property subject to a trust consists of or includes a Unit and the director knows or have reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Unit, he is deemed to have an interest in that Unit.

- That Clause 19 be amended by inserting the following clauses after Clause 19.10:

19.11 **Directors of the Manager**

The Manager hereby covenants that:

19.11.1 a director of the Manager shall not vote (and shall not form the quorum for the relevant board meeting of the Manager) in respect of any contract, transaction or arrangement or any other proposal whatsoever being proposed for the Trust in which he has any personal material interest, directly or indirectly;

19.11.2 the office of a director of the Manager shall be vacated in any of the following events:

(i) if the director becomes of unsound mind or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention; or

(ii) if the director shall become bankrupt or make any arrangement or composition with his creditors generally;

19.11.3 the board of directors of the Manager may from time to time entrust to and confer upon a managing director (or person holding an equivalent position) for the time being such of the powers as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the directors of the Manager in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. A managing director (or person holding an equivalent position) of the Manager shall at all times be subject to the control of the board of directors of the Manager;

19.11.4 the continuing directors of the Manager may act notwithstanding any vacancies, but if and so long as the number of directors of the Manager is reduced below the minimum number fixed by or in accordance with the Constitution of the Manager, the continuing directors of the Manager or director of the Manager may act for the purpose of filling up such vacancies or of summoning general meetings of the Manager, but not for any other purpose (except in an emergency). If there are no directors of the Manager or director of the Manager able or willing to act, then any member of the Manager may summon a general meeting of the Manager for the purpose of appointing directors of the Manager;

19.11.5 any director of the Manager may at any time by writing under his hand and deposited at the office of the Manager, or delivered at a meeting of the directors of the Manager, appoint any person approved by a majority of the directors of the Manager (other than another director of the Manager) to be his alternate director and may in like manner at any time terminate such appointment. A person shall not act as alternate director to more than one director of the Manager at the same time;

19.11.6 where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of directors of the Manager; and

19.11.7 in case of an equality of votes at a board meeting of the Manager (except where only two directors of the Manager are present and form the quorum or when only two directors of the Manager are competent to vote on the question in issue) the chairman of the meeting of the directors of the Manager shall have a second or casting vote.

- That Clause 20.1.1 be amended in accordance with the following additions indicated by the underlined text below:

  20.1.1 that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner and will ensure that the Trust is carried on and conducted in a proper and efficient manner in the best interests of the Holders as a whole;

- That Clause 20.1.7 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  20.1.7 that it ~~and~~ will, and will use its best endeavours to ensure that its Related Parties will, conduct all transactions with or for the Trust on an arm's length basis and on normal commercial terms;

- That Clause 20.2 be amended by inserting the following clause after Clause 20.2.6:

  20.2.7 that it will duly perform and comply with all obligations imposed on it by any agreement it enters into as trustee of the Trust.

- That Clause 21.1 and Clause 21.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below, and the subsequent clauses be renumbered accordingly:

  21.1 **~~Dissemination~~ Preparation and Laying of Accounts before Annual General Meetings**

  21.1.1 ~~Pursuant to Clause 20.2.3, the Trustee shall send or cause to be set to Holders (or as the case may be) the Depository (in respect of the Depositors) once a year commencing after the Listing Date (and not more than three months (or such other period as may be prescribed by the relevant authorities) after the end of the period to which they relate) Accounts which~~ The Manager shall cause to be prepared the Accounts which shall contain such statements, reports and information as may be required by the Relevant Laws, Regulations and Guidelines. In particular, the Trustee and the Manager ~~may from time to time determine. Such Accounts shall each~~ shall cause to be ~~for a period covering each relevant Financial Year.~~ prepared a statement of total return of the Trust for the period since the preceding Accounts (or in the case of the first Account, since the constitution of the Trust) made up to a date not more than four months before the date of the Annual General Meeting shall be laid before the meeting, accompanied by a balance sheet of the Trust as at the date to which the statement of total return is made up, being a balance sheet that gives a true and fair view of the state of affairs of the Trust as at the end of the period to which it relates. The period covered by the Accounts shall be the relevant Financial Year.

~~21.2~~ **~~Statement of Total Return and Balance-Sheet~~**

~~21.2.1~~ ~~The statement of total return of the Trust for the period since the preceding account made up to a date not more than 4 months before the date of an Annual General Meeting shall be laid before the Annual General Meeting, accompanied by a balance-sheet of the Trust as at the date to which the statement of total return of the Trust is made up, being a balance-sheet of the Trust that gives a true and fair view of the state of affairs of the Trust as at the end of the period to which it relates.~~

~~21.2.2~~ 21.1.2 The statement of total return and balance-sheet of the Trust presented at the Annual General Meeting shall be accompanied by a statement signed by the Manager stating whether in its opinion the statement of total return of the Trust gives a true and fair view of the results of the business of the ~~property fund~~ Trust for the period covered, whether the balance-sheet of the Trust exhibits a true and fair view of the state of affairs of the Trust as at the end of that period, and whether at the date of the statement there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

- That Clause 22.1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

22.1 **Appointment and Removal of Auditors**

~~The Auditors shall be an accounting firm or corporation as described in the Accountants Act 2004 and shall be appointed by the Manager~~ For so long as the Trust is Listed, the Auditors shall, subject to the provisions of this Clause 22, be appointed by an Ordinary Resolution duly passed by Holders at each Annual General Meeting to be convened. The Auditors so appointed shall hold office until the conclusion of the next Annual General Meeting, unless ~~he resigns or is removed by an Extraordinary Resolution duly passed at a meeting of Holders or (as the case may be) the Depositors, and a new Auditor or Auditors are appointed, by an Extraordinary Resolution duly passed at a meeting of Holders or (as the case may be) the Depositors~~ they resign and voluntarily retire or are removed, and are replaced by other Auditors, in accordance with this Clause 22, and subject to any requirements/restrictions set out in the Relevant Laws, Regulations and Guidelines.

Where the Trust is Unlisted, and the Manager is the only Holder of the Units, the Auditors shall be appointed by the Manager (with the consent of the Trustee) in accordance with the Relevant Laws, Regulations and Guidelines.

- That Clause 22 be amended by inserting the following clause after Clause 22.2:

22.3 **Removal by Extraordinary Resolution**

The Auditors may be removed, and other Auditors appointed in their place, by an Extraordinary Resolution duly passed at a meeting of Holders.

- That Clause 23.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

23.2 **Retirement of Trustee**

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new ~~Trustee~~ trustee. In the event of the Trustee desiring to retire it shall give notice in writing to that effect to the Manager and the Manager shall use its best endeavours to appoint another person (duly approved as may be required by the law for the time being applicable to this Deed) as the new ~~Trustee~~ trustee for the Holders in the place of the retiring ~~Trustee~~ trustee upon and subject to such corporation entering into a deed supplemental hereto providing for such appointment. If no new ~~Trustee~~ trustee is appointed by the Manager as aforesaid within a period of three months after the date of receipt by the Manager of the Trustee's notice of retirement, the Trustee shall be entitled to appoint such person selected by it (duly approved as aforesaid) as the new ~~Trustee~~ trustee on the same basis as aforesaid. On retirement, the Trustee must vest the Deposited Property in the new ~~Trustee~~ trustee, and give the new ~~Trustee~~ trustee all books, documents, records and any other property held by or on behalf of the Trustee relating to the Trust.

Upon such deed or deeds being entered into, the retiring trustee shall be absolved and released from all further obligations hereunder but without prejudice to any liability or obligation of the Trustee which may exist, have accrued or arisen prior to such retirement.

- That Clause 24.1 and Clause 24.2 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

24.1 **Removal of Manager**

The Manager may be removed by notice in writing given by the Trustee in any of the following events:

24.1.1 if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the Manager;

24.1.2 if the Manager ceases to carry on business;

24.1.3 if the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any material obligation imposed on the Manager by this Deed;

24.1.4 ~~notwithstanding clause 16,~~ if the Holders ~~or (as the case may be) the Depositors, by an Ordinary Resolution passed~~, by a resolution passed by a simple majority of Holders present and voting (with no Holders being disenfranchised) at a meeting of Holders ~~or (as the case may be) Depositors~~ duly convened and held in accordance with the provisions contained in Schedule 1, decide that the Manager is to be removed;

24.1.5 if for good and sufficient reason the Trustee is of the opinion, and so states in writing such reason and opinion, that a change of Manager is desirable in the interests of the Holders, PROVIDED THAT if the Manager within one

month after such statement expresses its dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three arbitrators, the first of whom shall be appointed by the Manager, the second of whom shall be appointed by the Trustee and the third of whom shall be appointed by the Chairman for the time being of the SGX-ST (failing which appointment, the third arbitrator shall be jointly appointed by the Manager and the Trustee) and any decision made pursuant hereto shall be binding upon the Manager, the Trustee and the Holders; or

24.1.6 if the Authority directs the Trustee to remove the Manager.~~;or~~

~~24.1.7 if at any time after the Listing Date the Authority revokes its authorisation of the ESR-REIT as an authorised scheme under section 286 of the Securities and Futures Act or revokes its authorisation of the Manager under the Property Funds Guidelines.~~

In any of the cases aforesaid, the Manager shall upon notice by the Trustee as aforesaid ipso facto cease to be the Manager and the Trustee shall by writing under its seal appoint some other corporation upon and subject to such corporation entering into such deed or deeds as the Trustee may be advised to be necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as the new ~~Manager~~ manager, which deed shall if so required by the Manager provide that the words "**ESR-REIT"** or any abbreviation thereof shall not thereafter form part of the name of the Trust, PROVIDED THAT this provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in accordance with the provisions herein.

In the event that the Manager is removed in accordance with Clause 24.1, the removed Manager shall give the new Manager all books, documents, records and any other property held by or on behalf of the removed Manager relating to the Trust and take all steps within its powers as may be required or necessary to facilitate the change of Manager.

24.2 **Retirement of Manager**

The Manager shall have the power to retire in favour of a corporation recommended by the Manager and approved by the Trustee upon and subject to such corporation entering into such deed or deeds as mentioned in Clause 24.1. Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Manager to the Trustee under this Deed at the date thereof the retiring Manager shall be absolved and released from all further obligations hereunder but without prejudice to ~~the rights of the Trustee or of any Holder, former Holder, Depositor, former Depositor or other person in respect of any act or omission~~ any liability or obligation of the Manager which may exist, have accrued or arisen prior to such retirement.

Notwithstanding the foregoing, the retiring Manager shall give the new manager all books, documents, records and any other property held by or on behalf of the retiring Manager relating to the Trust and take all steps within its powers as may be required or necessary to facilitate the change of Manager.

- That Clause 24 be amended by inserting the following clause after Clause 24.2:

24.3 **Name of the Trust May Be Changed**

Upon any removal or retirement, the removed or retiring Manager may require:

24.3.1 the words "ESR" or any abbreviation thereof to cease to form part of the name of the Trust; and

24.3.2 any signage existing on any Real Estate:

(i) bearing the words "ESR" or any abbreviation thereof; or

(ii) conveying any affiliation to ESR Funds Management (S) Limited and their respective related corporations, trusts and funds,

be removed within seven days of the removal or retirement of the Manager, PROVIDED THAT this provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in accordance with the provisions herein.

- That Clause 27.4 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

27.4 **Notices to Trustee and Manager**

Any notice by the Trustee to the Manager or by the Manager to the Trustee shall be addressed to the Manager or (as the case may be) the Trustee at its specified office and shall be delivered by hand or sent by facsimile transmission, ~~telex~~ email or prepaid post (airmail if overseas). Any such notice sent by facsimile transmission or ~~telex~~ email shall be deemed to be served at the time of despatch and any such notice sent by post shall, in the absence of industrial action affecting any relevant part of the postal services, be deemed to have been served two days after posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted.

- That Clause 28 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

**28. MODIFICATION OF TRUST DEED**

~~28.1 **Before the Trust is Listed**~~

~~Prior to the Listing Date, the Trustee and the Manager shall be entitled, by deed supplemental hereto and with the prior approval of the Holders by a resolution in writing signed by all the Holders then existing, to modify, alter or add to the provisions of this Deed in such manner and to such extent as the Trustee and the Manager may consider expedient for any purpose. The expressions ***in writing*** and ***signed*** include approval by any such Holder through any form of electronic communication approved by the Trustee.~~

~~28.2 **After the Trust is Listed**~~

~~After the Listing Date, the~~ The Trustee and the Manager shall be entitled by deed supplemental hereto ~~and with,~~ subject to the prior approval of the relevant governmental, statutory and/or regulatory authorities if so required by the Relevant

Laws, Regulations and Guidelines, to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, PROVIDED THAT unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition:

~~28.2.1~~ (i) does not materially prejudice the interests of the Holders ~~or (as the case may be) the Depositors~~, and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Holders ~~or (as the case may be) the Depositors~~;

~~28.2.1~~ (ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under the Securities and Futures Act, ~~the Regulations,~~ the Code, the Property Funds ~~Guidelines,~~ Appendix and the Listing Rules and ~~any other applicable rules of any other relevant Recognised Stock Exchange on which the Trust may be Listed~~ other Relevant Laws, Regulations and Guidelines; or

~~28.2.3~~ (iii) is made to remove obsolete provisions or to correct ~~a~~ manifest errors,

no such modification, alteration or addition shall be made without the sanction of an Extraordinary Resolution of a meeting of Holders ~~or (as the case may be) Depositors~~, duly convened and held in accordance with the provisions contained in Schedule 1; PROVIDED ALSO THAT no such modification, alteration or addition shall impose upon any Holder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

The Manager shall as soon as practicable after any modification, alteration or addition to the provisions of this Deed (in this Clause 28~~.2~~, "**Amendment**") give notice of the Amendment to the Holders, unless the Amendment is not, in the opinion of the Manager (with the consent of the Trustee) of material significance. All fees, costs and expenses incurred by the Trustee or the Manager in connection with any such document supplemental to this Deed (including expenses incurred in the holding of a meeting of Holders ~~or (as the case may be) Depositors~~, if necessary) shall be ~~charged against~~ paid out of the Deposited Property.

- That the ESR-REIT Trust Deed be amended by inserting the following clauses after Clause 29:

**30. PERSONAL DATA**

30.1 Any natural person, by subscribing for or acquiring (whether from the Trust or any third party) any Units, debentures or other Securities, rights, options or other interests in or relating to the Trust, becoming a director or other officer of the Manager, accepting appointment and/or acting as proxy, attorney or corporate representative of any Holder, or participating in any corporate action relating to the Trust, is deemed to have consented to the collection, use and disclosure of his Personal Data by the Trust, the Manager, the Trustee, their respective agents and/or service providers (whether such Personal Data has been provided directly by him or collected through a third party), for any of the following purposes:

(i) facilitating appointment as a director or other officer or corporate representative of the Manager;

(ii) implementation and administration of any corporate action of the Trust (by the Manager and/or Trustee or their respective agents or service providers);

(iii) internal analysis and/or market research by the Manager and/or Trustee or their respective agents or service providers;

(iv) investor relations communications by the Manager and/or Trustee or their respective agents or service providers;

(v) administration of the Trust (including but not limited to the maintenance of statutory registers, and administration of holdings of Units, debentures or other securities of the Trust), by the Manager and/or Trustee or their respective agents or service providers;

(vi) implementation and administration of any service provided by the Trust (or its agents or service providers) to the Holders or holders of its securities, to receive notices of meetings, annual reports, circulars and letters, and other communications to Holders or holders of other securities and/or for proxy appointment, whether by electronic means or otherwise;

(vii) processing, administration and analysis by the Manager or its agents or service providers, of attorneys, proxies and representatives appointed for any general meeting of the Holders or other holders of securities of the Trust (including any adjournment thereof), and the preparation and compilation of the attendance lists, notes of meeting, minutes of meeting and other documents relating to any general meeting of the Holders or other holders of securities of the Trust (including any adjournment thereof), including but not limited to making the same available to the Holders or other holders of securities of the Trust or on the Trust's or the Manager's website or in any other media;

(viii) implementation and administration of, and compliance with, any provision of this Deed;

(ix) compliance with any Relevant Laws, Regulations and Guidelines and any other applicable laws and regulations (including but not limited to any relating to the disclosure of material information or prescribed information), take-over rules, codes and/or guidelines, and provision of assistance and information in connection with regulatory inquiries and investigations by relevant authorities;

(x) any other purposes specified in the Trust's prevailing privacy or data protection policies; and

(xi) any purposes which are reasonably related to any of the above purposes, including without limitation, auditing, monitoring and analysis of its business, fraud and crime prevention, anti-money laundering, legal and regulatory compliance, facilitating the verification and checks of personal data for "Know-Your-Client" purposes and verification of a person's identity.

30.2 Without prejudice to Clause 30.1, where any Holder or other holder of securities of the Trust or any other person or entity provides any personal data relating to any natural person (such as a proxy, attorney, corporate representative or other third party), in connection with the business and affairs of the Trust, including without limitation any general meeting of the Holders or other holders of securities of the

Trust or any adjournment thereof or in connection with any of the matters referenced in Clause 30.1, it warrants to the Manager, the Trustee and the Trust that it has obtained the prior consent of the relevant individual for the collection, use and disclosure of his Personal Data for any and all purposes set out in Clause 30.1, and is deemed to have agreed to indemnify the Manager, the Trustee and the Trust in respect of any claims, actions, proceedings, losses, damages, liabilities, penalties, costs and expenses brought against the Manager, the Trustee and/or the Trust or suffered or incurred by any of them as a result of such breach of warranty.

## 31. DATA PROTECTION

31.1 Notwithstanding anything to the contrary stated in this Deed, each of the Manager and the Trustee shall ensure that any Personal Data received and processed by the Manager and/or the Trustee (as the case may be) on behalf of the Trust is collected, used, disclosed and processed in compliance with the Data Protection Laws.

31.2 Each of the Trustee and the Manager agrees and acknowledges that each party may collect, use, disclose and process Personal Data in connection with its obligations hereunder. Where such Personal Data is provided by one party (the "**Provider**") to the other party (the "**Recipient**"), the Provider agrees and undertakes to the Recipient as follows:

(i) that the Provider shall have complied with Data Protection Laws in connection with any Personal Data; and

(ii) that the Provider shall have done all things necessary (including, without limitation, providing all relevant notifications and obtaining all necessary consents of individuals) to ensure that the collection, use, disclosure and/or other processing of the Personal Data by the Provider and/or its service providers in accordance with this Deed shall not be in contravention with any Data Protection Laws.

31.3 The Provider agrees that to the extent where the processing of any such Personal Data is carried out by the Recipient and/or its service providers on the Provider's behalf, the Recipient and its service providers process such Personal Data as data intermediaries of the Provider.

31.4 Where the Recipient processes Personal Data disclosed to it by the Provider as a data intermediary, the Recipient agrees to protect such Personal Data in its possession or under its control by making security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks consistent with its own measures taken in relation to such Personal Data. The Recipient will further delete or remove the means by which the Personal Data can be associated with particular individuals as soon as it reasonably considers that (i) the purpose for which that personal data was collected is no longer being served by retention of the Personal Data; and (ii) retention is no longer necessary for legal or business purposes.

31.5 The Provider further agrees and acknowledges that the Recipient may also use and disclose the Personal Data provided to it under this Deed for any of the purposes set out in Clause 30.1.

31.6 Notwithstanding anything stated in this Deed, the Recipient shall not knowingly do or commit any act or matter or thing which would otherwise cause the Provider to be in breach of Data Protection Laws.

31.7 For the purposes of this Clause 31, "**process**" in relation to personal data would include: (i) to carry out any operation or set of operations in relation to the personal data, and includes, without limitation, recording, holding, organisation, adaptation, alteration, retrieval, combination, transmission, erasure or destruction; and/or (ii) copy, use, access, display, run, store, review, manage, modify, transform, translate, extract components into another work, integrate or incorporate as part of a derivative work; and/or (iii) to permit any other person to do (i) and (ii), and "**processing**" shall be construed accordingly.

- That the ESR-REIT Trust Deed be amended by inserting the following clause after Clause 33:

**34. SUBSTANTIAL HOLDERS**

Neither the Manager nor the Trustee shall, by reason of anything done under the provisions of the Securities and Futures Act relating to the disclosure obligations of substantial Holders (and any regulations made and forms prescribed in relation thereto), be taken for any purpose to have notice of, or be put on enquiry to, a right of any person to or in relation to a Unit.

- That paragraph 3 of Schedule 1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

3. ~~After the Listing Date, the~~ The Manager or (each being a Holder) the controlling shareholders (as defined in the Listing Rules) of the Manager and any Associate thereof, shall be entitled to receive notice of and attend at any such meeting but shall, subject to paragraph 4(ii) of this Schedule, not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or the relevant controlling shareholder of the Manager or any such Associate (as the case may be) has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Listing Rules) and interested party transactions (as defined in the Property Funds ~~Guidelines~~ Appendix)) and accordingly for the purposes of the following provisions of this Schedule, Units held or deemed to be held by the Manager or such controlling shareholder or ~~any~~ such Associate shall not be regarded as being in issue under such circumstances. ~~For the avoidance of doubt, this paragraph does not apply to the removal of the Manager pursuant to Clause 24.1.4 of this Deed. The Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of an attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider the removal of the Manager pursuant to Clause 24.1.4 of this Deed.~~ Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting. ~~Any such meeting convened shall be held in Singapore.~~

- That paragraph 4.1 of Schedule 1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

4.1 Subject to paragraph ~~5.2~~ 4.2 below, at least ~~2 days' notice (in the case of Holders' meetings prior to the Listing Date) or 14 days' notice (in the case of Holders' meetings after the Listing Date) (~~14 days' notice (to pass an Ordinary Resolution) or 21 days' notice (to pass an Extraordinary Resolution) (in each case, not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in the manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed~~.~~, and each such notice~~

shall where required by any Relevant Laws, Regulations and Guidelines be given by advertisement in the daily press and in writing to each stock exchange on which the Trust is listed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such business. A copy of the notice shall be sent by post or using electronic communications to the Trustee unless the meeting shall be convened by the Trustee. ~~The~~ Any accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

- That paragraph 4.2 of Schedule 1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  4.2 Notwithstanding the provisions of paragraph ~~5.1~~ 4.1 above, a meeting of Holders convened by the Trustee ~~under Section 295 of~~ for the purposes of the winding up of the Trust pursuant to the Securities and Futures Act shall comply with the relevant requirements of the Securities and Futures Act ~~be summoned (i) by 21 days' notice at least (inclusive of the day on which the notice is given) of such meeting given to the Holders in the manner provided in this Deed and (ii) by publishing, at least 21 days before the proposed meeting, an advertisement giving notice of the meeting in at least four local daily newspapers, one each published in the English, Malay, Chinese and Tamil languages~~.

- That paragraph 9 of Schedule 1 be amended in accordance with the following additions and deletions indicated by the underlined text and deleted text below:

  9. At any meeting a resolution put to the vote of the meeting shall, subject to the ~~prevailing laws, rules and regulations~~ Relevant Laws, Regulations and Guidelines, be decided on a poll. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid. Every Holder shall, notwithstanding any provision to the contrary in this Deed, have a right to attend any general meeting of the Holders and to speak and vote on any resolution before the meeting in accordance with this Schedule.

# ESR-REIT

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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING ("**EGM**") of the holders of units of ESR-REIT ("**ESR-REIT Unitholders**") will be held at 10.00 a.m. on 12 September 2019 at Suntec Singapore International Convention & Exhibition Centre, Room 334 – 336, 1 Raffles Boulevard, Suntec City, Singapore 039593 to consider and, if thought fit, to pass, with or without any modifications, the following resolutions:

*Words and expressions used in this Notice of EGM shall bear the meanings set out in the Circular to ESR-REIT Unitholders dated 21 August 2019, unless otherwise stated.*

**RESOLUTION 1 (ORDINARY RESOLUTION):**
**THE PROPOSED WHITEWASH RESOLUTION**

That subject to the conditions in the letter from the Securities Industry Council of Singapore dated 15 July 2019 being fulfilled, the Independent ESR-REIT Unitholders (Whitewash) hereby waive their rights to receive a Mandatory Offer from the Concert Parties Group for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired by them, at the highest price paid by the Concert Parties Group for ESR-REIT Units in the six months preceding the commencement of the Mandatory Offer, in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers as a result of the Preferential Offering.

**RESOLUTION 2 (EXTRAORDINARY RESOLUTION):**
**THE PROPOSED DEVELOPMENT MANAGEMENT FEE SUPPLEMENT AND AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE DEVELOPMENT MANAGEMENT FEE**

That approval be and is hereby given to supplement the ESR-REIT Trust Deed with the Proposed Development Management Fee Supplement in the manner set out in Appendix B of the Circular and to authorise the ESR-REIT Manager to issue ESR-REIT Units in partial payment of the Development Management Fee from time to time, credited as fully paid and ranking *pari passu* in all respects with the other ESR-REIT Units in issue, except that such ESR-REIT Units shall not be entitled to any distributions on any record date which falls prior to the date of their issue, and that the ESR-REIT Manager, the ESR-REIT Trustee and any Director or Directors be authorised and directed to do all things necessary or expedient or in the interests of ESR-REIT and the ESR-REIT Unitholders (including executing any document) as he or they may deem fit, to give effect to the matters contemplated in this resolution.

**RESOLUTION 3 (EXTRAORDINARY RESOLUTION):**
**THE PROPOSED AMENDMENT AND RESTATEMENT OF THE ESR-REIT TRUST DEED**

That approval be and is hereby given to amend and restate the existing trust deed of ESR-REIT to the amended and restated trust deed ("**Amended and Restated Trust Deed**") submitted to this meeting, and for the purposes of identification, signed by a Director and adopted as the trust deed of ESR-REIT in substitution for, and to the exclusion of, the existing trust deed of ESR-REIT, and that the ESR-REIT Manager, the ESR-REIT Trustee and any Director or Directors be authorised and directed to execute any supplemental deed to the trust deed of ESR-REIT and/or the Amended and Restated Trust Deed and to determine its effective date and to notify the Monetary Authority of Singapore and to do all things necessary or expedient or in the interests of ESR-REIT and the ESR-REIT Unitholders as he or they may deem fit, to effect the amendment and restatement of the trust deed of ESR-REIT as contemplated in this resolution.

**RESOLUTION 4 (ORDINARY RESOLUTION):**
**THE AUTHORITY TO ISSUE ESR-REIT UNITS IN PAYMENT OF THE PROPERTY MANAGEMENT FEES TO THE PROPERTY MANAGER**

That subject to and contingent upon the passing of Resolution 3 as an Extraordinary Resolution, the ESR-REIT Manager is duly authorised to issue ESR-REIT Units in payment of the Property Management Fees to the Property Manager, credited as fully paid and ranking *pari passu* in all respects with the other ESR-REIT Units in issue, except that such ESR-REIT Units shall not be entitled to any distributions on any record date which falls prior to the date of their issue, and that the ESR-REIT Manager, the ESR-REIT Trustee and any Director or Directors be authorised and directed to do all things necessary or expedient or in the interests of ESR-REIT and the ESR-REIT Unitholders (including executing any document) as he or they may deem fit, to give effect to the matters contemplated in this resolution.

**BY ORDER OF THE BOARD**

**ESR Funds Management (S) Limited**
As manager of ESR-REIT
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-5)

Adrian Chui
Chief Executive Officer and Executive Director
21 August 2019

**Important Notice**:

The value of ESR-REIT Units and the income derived from them may fall as well as rise. ESR-REIT Units are not investments or deposits in, or liabilities or obligations of the ESR-REIT Manager, the ESR-REIT Trustee, or any of their respective related corporations and affiliates.

An investment in ESR-REIT 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 ESR-REIT Manager, the ESR-REIT Trustee nor any of their 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 should note that they will have no right to request the ESR-REIT Manager to redeem or purchase their ESR-REIT Units for so long as the ESR-REIT Units are listed on the SGX-ST. It is intended that the ESR-REIT Unitholders may only deal in their ESR-REIT Units through trading on the SGX-ST. Listing of the ESR-REIT Units on the SGX-ST does not guarantee a liquid market for the ESR-REIT Units.

**Notes:**

1. An ESR-REIT Unitholder who is not a relevant intermediary (as defined below) entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be an ESR-REIT Unitholder. Where an ESR-REIT Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy.
2. An ESR-REIT Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM instead of the ESR-REIT Unitholder, but each proxy must be appointed to exercise the rights attached to a different ESR-REIT Unit or Units held by such ESR-REIT Unitholder. Where such ESR-REIT Unitholder appoints more than two proxies, the appointments shall be invalid unless the ESR-REIT Unitholder specifies the number of ESR-REIT Units in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds ESR-REIT Units in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds ESR-REIT Units in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of ESR-REIT Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those ESR-REIT Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The instrument appointing a proxy or proxies must be lodged at the Unit Registrar's office at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than 72 hours before the time appointed for the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, an ESR-REIT Unitholder (i) consents to the collection, use and disclosure of the ESR-REIT Unitholder's personal data by the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) for the purpose of the processing and administration by the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the ESR-REIT Unitholder discloses the personal data of the ESR-REIT Unitholder's proxy(ies) and/or representative(s) to the ESR-REIT Manager and the ESR-REIT Trustee (or their agents), the ESR-REIT Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the ESR-REIT Unitholder will indemnify ESR-REIT, the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the ESR-REIT Unitholder's breach of warranty.

**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes to proxy form:**

1. An ESR-REIT Unitholder who is not a relevant intermediary (as defined below) entitled to attend and vote at the Extraordinary General Meeting of ESR-REIT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be an ESR-REIT Unitholder. Where an ESR-REIT Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy.

2. An ESR-REIT Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting instead of the ESR-REIT Unitholder, but each proxy must be appointed to exercise the rights attached to a different ESR-REIT Unit or Units held by such ESR-REIT Unitholder. Where such ESR-REIT Unitholder appoints more than two proxies, the appointments shall be invalid unless the ESR-REIT Unitholder specifies the number of ESR-REIT Units in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds ESR-REIT Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds ESR-REIT Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of ESR-REIT Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those ESR-REIT Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. An ESR-REIT Unitholder should insert the total number of ESR-REIT Units held. If the ESR-REIT Unitholder only has ESR-REIT Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of ESR-REIT Units. If the ESR-REIT Unitholder only has ESR-REIT Units registered in his/her name in the Register of Unitholders of ESR-REIT, he/she should insert that number of ESR-REIT Units. If the ESR-REIT Unitholder has ESR-REIT Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of ESR-REIT Units. If no number is inserted, this proxy form will be deemed to relate to all the ESR-REIT Units held by the ESR-REIT Unitholder in both the Depository Register and the Register of Unitholders.

4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at ESR-REIT's unit registrar office at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 72 hours before the time set for the Extraordinary General Meeting.

5. Completion and return of the Proxy Form shall not preclude an ESR-REIT Unitholder from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if an ESR-REIT Unitholder attends the Extraordinary General Meeting in person, and in such event, ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Extraordinary General Meeting.

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the ESR-REIT Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The ESR-REIT Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of ESR-REIT Units entered in the Depository Register, the ESR-REIT Manager may reject a Proxy Form if the ESR-REIT Unitholder, being the appointor, is not shown to have ESR-REIT Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the ESR-REIT Manager.

9. All ESR-REIT Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.

10. Every ESR-REIT Unitholder who is present in person or by proxy shall have one vote for every ESR-REIT Unit of which he/she is the ESR-REIT Unitholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.

# ESR-REIT

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

## PROXY FORM

## Extraordinary General Meeting

**IMPORTANT:**

1. For CPF investors who have used their CPF monies to buy ESR-REIT Units, this Circular is forwarded to them at the request of their Agent Banks and is sent solely **FOR THEIR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as **OBSERVERS** must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Unit Registrar of ESR-REIT within the time frame specified. If they also wish to vote, they must submit their requests to the Agent Bank so his Agent Bank may appoint him as its proxy within the specified timeframe. (Agent Banks, please see Notes 2 and 4 on the required details.)
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

   Personal data privacy

   By submitting an instrument appointing a proxy(ies) and/or representative(s), the ESR-REIT Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 21 August 2019.

I/We, _____ (Name and NRIC no./Passport no./Company Registration no.)

of _____ (Address)

being a unitholder/unitholders of ESR-REIT, hereby appoint:

| Name | Address | NRIC/Passport No. | Proportion of Unitholdings (Note 1) | |
|---|---|---|---|---|
| | | | No. of ESR-REIT Units | % |
| | | | | |

and/or (delete as appropriate)

| Name | Address | NRIC/Passport No. | Proportion of Unitholdings (Note 1) | |
|---|---|---|---|---|
| | | | No. of ESR-REIT Units | % |
| | | | | |

or, both of whom failing, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of ESR-REIT to be held at 10.00 a.m. on 12 September 2019 at Suntec Singapore International Convention & Exhibition Centre, Room 334 – 336, 1 Raffles Boulevard, Suntec City, Singapore 039593 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Extraordinary General Meeting.

| No. | Resolutions: | For* | Against* |
|---|---|---|---|
| 1 | **Resolution 1 (Ordinary Resolution):** The Whitewash Resolution | | |
| 2 | **Resolution 2 (Extraordinary Resolution):** The Proposed Development Management Fee Supplement and to authorise the issue of ESR-REIT Units in payment of the Development Management Fee | | |
| 3 | **Resolution 3 (Extraordinary Resolution):** To amend and restate the ESR-REIT Trust Deed | | |
| 4 | **Resolution 4 (Ordinary Resolution):** To authorise the issue of ESR-REIT Units in payment of the Property Management Fees to the Property Manager | | |

* If you wish to exercise all your votes "For" or "Against", please tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

| Total number of ESR-REIT Units held (Note 3) |
|---|
| |

_____

Signature(s) of ESR-REIT Unitholder(s)/Common Seal

3rd fold here. Glue all sides firmly. Stapling & spot sealing is disallowed.

**ESR-REIT**

Postage will be paid by addressee. For posting in Singapore only.

**BUSINESS REPLY SERVICE**
PERMIT NO. 08027

**ESR FUNDS MANAGEMENT (S) LIMITED**
**(AS MANAGER OF ESR-REIT)**
C/O B.A.C.S. PRIVATE LIMITED
8 ROBINSON ROAD
#03-00 ASO BUILDING
SINGAPORE 048544

Glue all sides firmly. Stapling & spot sealing is disallowed.

2nd fold here

1st fold here

ESR REIT

**ESR FUNDS MANAGEMENT (S) LIMITED**

(Company Registration No. 200512804G)

(Capital Markets Services Licence No. 100132-5)