

UNITHOLDERS' CIRCULAR

DATED 2 July 2021

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CIRCULAR TO UNITHOLDERS IN RELATION TO THE PROPOSED WHITEWASH RESOLUTION

IMPORTANT DATES AND TIMES

Last Date and Time for Pre-registration for Extraordinary General Meeting (the "EGM")

23 July 2021 at 10.00 a.m.

Last Date and Time for Submission of Questions in Advance and Lodgement of Proxy Forms

23 July 2021 at 10.00 a.m.

Date and Time of the EGM

26 July 2021 at 10.00 a.m.

The EGM will be held only by way of electronic means

Due to the current COVID-19 situation in Singapore, Unitholders will not be able to attend the EGM in person. Alternative arrangements have been put in place to allow Unitholders to participate in the EGM by (a) observing and/or listening to the EGM proceedings through a live audio-visual webcast or live audio-only stream; (b) submission of questions in advance of or at the EGM; and (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM. Please refer to paragraph 10 of this Circular, the Notice of EGM and the Proxy Form for further information, including the steps to be taken by Unitholders to participate in the EGM.



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

Managed by

ESR Funds Management (S) Limited

(Company Registration No.: 200512804G)

(Capital Markets Services Licence No.: CMS 100132)

Sole Financial Adviser
and Coordinator for the
Preferential Offering

Independent Financial
Adviser in relation to the
Whitewash Resolution



THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

All capitalised terms shall, if not otherwise defined, have the same meaning as ascribed to them in this Circular.

Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this circular to holders of units in ESR-REIT ("Units", and the holders of Units, "Unitholders") dated 2 July 2021 (this "Circular"). If you are in any doubt about its contents or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of up to 143.0 million Preferential Offering Units (as defined below) in ESR-REIT on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Preferential Offering Units, ESR-REIT and/or its subsidiaries.

If you have sold or transferred all your Units, you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting and the Proxy Form) may be accessed at ESR-REIT's website at the URL <https://www.esr-reit.com.sg>, and are also available on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.

This Circular does not constitute an offer of securities in the United States of America (the "United States" or "U.S."), United Kingdom ("UK") or any other jurisdiction. Any proposed issue of New Units (as defined below) described in this Circular will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state of the United States or other jurisdiction, and any such New Units may not be offered or sold within the United States or to or for the account or benefit of any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable laws. The Manager (as defined below) does not intend to conduct a public offering of any securities of ESR-REIT in the United States.

THE PROPOSED WHITEWASH RESOLUTION

BACKGROUND AND USE OF PROCEEDS FOR THE EQUITY FUND RAISING

On 6 May 2021 and 7 May 2021, the Manager announced an offering of New Units by way of a Private Placement under which 268,818,000 New Units were issued at an issue price of S\$0.372 per New Unit, to raise gross proceeds of approximately S\$100.0 million.

On 6 May 2021, the Manager also announced its intention to undertake a Preferential Offering to raise gross proceeds of not more than approximately S\$50.0 million. The Manager has no intention of raising aggregate gross proceeds from the Private Placement and the Preferential Offering (collectively, the **"Equity Fund Raising"**) in excess of approximately S\$150.0 million.

The Manager intends to utilise the gross proceeds of the Equity Fund Raising to:

- partially finance ESR-REIT's total cost of the Singapore Acquisition;
- partially finance the Asset Enhancement Initiatives;
- repay existing indebtedness of ESR-REIT to reduce the overall debt used to finance the Australia Acquisition; and
- pay for the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by ESR-REIT in connection with the Equity Fund Raising.

- | | | | |
|--|---|--|---|
| <p>✓ The Acquisitions and the Asset Enhancement Initiatives are distribution per Unit accretive and value-enhancing</p> | <p>✓ Use of proceeds are in line with the Manager's strategy of acquisition growth, diversification and organic growth</p> | <p>✓ Maintaining ESR-REIT's balance sheet and capital structure and enhancing its financial flexibility</p> | <p>✓ Possible increase in trading liquidity of the Units</p> |
|--|---|--|---|

SPONSOR IRREVOCABLE UNDERTAKING

To demonstrate its continued support, willingness to provide certainty of funding and to save underwriting fees for ESR-REIT and the Preferential Offering, the Sponsor, which owns 361,689,293 Units (representing approximately 9.3% of the Existing Units) through its subsidiaries, has on 11 June 2021 provided to the Manager an irrevocable undertaking.

Sponsor irrevocably undertakes that, among other things, it will procure that the Sponsor Relevant Entities:

- 1 subscribe and pay in full for the Allotted Preferential Offering Units; and
- 2 apply for Excess Preferential Offering Units provided that the total Preferential Offering Units applied for will not exceed a maximum subscription amount of S\$50.0 million

Concert Party Group's Unitholding⁽¹⁾

As at Latest Practicable Date

31.7%

Post Preferential Offering⁽²⁾

up to 34.0%

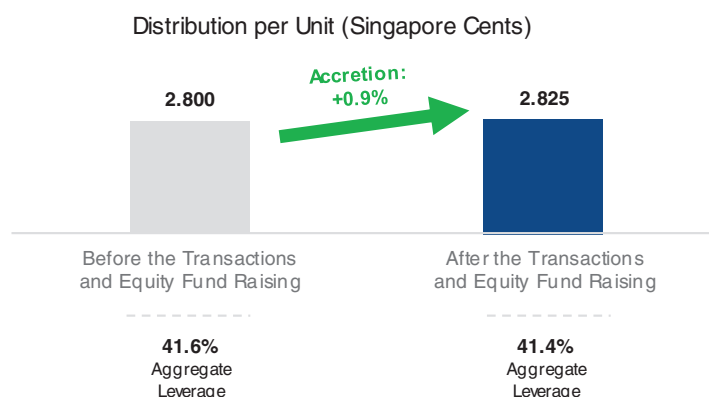
↓ **The Sponsor Relevant Entities, among others, will rank last in the allocation of Excess Preferential Offering Unit applications.**

RECOMMENDATION

The Independent Directors have considered the opinion of the IFA (as set out in the IFA Letter in Appendix A of this Circular) and the rationale for the proposed Whitewash Resolution as set out in paragraph 4.3 of this Circular, and recommend that the Independent Unitholders **VOTE IN FAVOUR** of the Whitewash Resolution at the EGM.

PRO FORMA FINANCIAL EFFECTS OF THE EQUITY FUND RAISING AND THE TRANSACTIONS⁽³⁾

FOR ILLUSTRATIVE PURPOSES ONLY

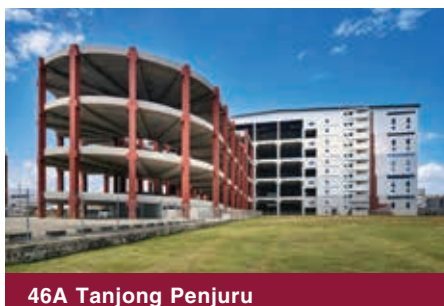


The above pro forma financial effects of the Equity Fund Raising and the Transactions are to be read in conjunction with the assumptions set out in paragraph 2.2 of the Circular. Please refer to paragraph 2.2 of the Circular for further details.

Notes: (1) Based on the assumptions set out in paragraph 4 of the Circular. Please refer to paragraph 4 of the Circular for further details. (2) Assuming the Sponsor Relevant Entities accept their Allotted Preferential Offering Units in full and are allocated in full for their application for the Excess Preferential Offering Units and Unitholders other than the Sponsor Relevant Entities do not participate in the Preferential Offering. (3) "Transactions" means the Debt Repayment, the Australia Acquisition, the Singapore Acquisition and the Asset Enhancement Initiatives.

ACQUISITION OF 46A TANJONG PENJURU

On 6 May 2021, the Manager announced that the Trustee had entered into a put and call option agreement with Montview Investments Pte. Ltd. in connection with the acquisition of 46A Tanjong Penjuru (together with the plant and mechanical and electrical equipment) at a purchase consideration of S\$112.0 million. The Singapore Acquisition was completed on 29 June 2021.



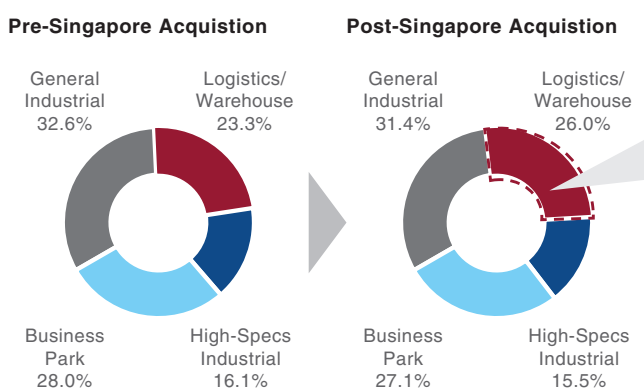
46A Tanjong Penjuru

OVERVIEW OF THE PROPERTY

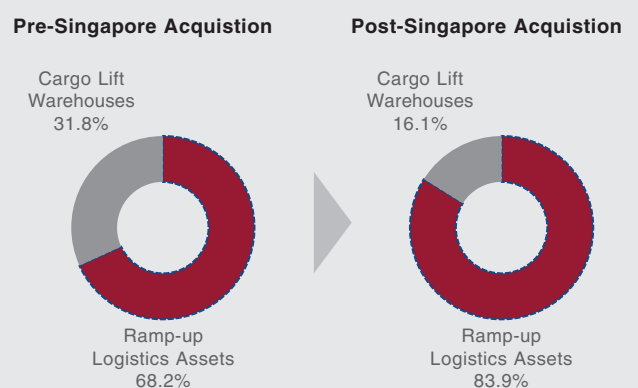
Address	46A Tanjong Penjuru, Singapore 609040
Property Description	5-storey modern ramp-up logistics facility with mezzanine offices on each floor
Land Tenure	30 years from 1 May 2006 with an option to renew for a further term of 14 years
Committed Occupancy⁽¹⁾	100%

- ✔ **Strategically Located Property in a Well Sought After Location**
- ✔ **Strengthens Portfolio Exposure to the Logistics Sector**
- ✔ **Increased Proportion of Modern Ramp-up Logistics Assets**
- ✔ **Opportunity to Enhance Specifications of the Property to Capture Higher Rental Demand through Active Asset Management**
- ✔ **DPU Accretive Acquisition**

Increased Proportion of Logistics in Portfolio⁽²⁾



Increased Proportion of Ramp-up Logistics Assets⁽²⁾



PROPOSED ASSET ENHANCEMENT INITIATIVES

The proposed Asset Enhancement Initiatives will create new GFA through the development of unutilised plot ratio for high-specifications assets which will enhance ESR-REIT's portfolio to ensure that they remain relevant to the needs and demands of industrialists in the manufacturing and data centre sectors.

Address	16 Tai Seng Street, Singapore 534138
Asset Enhancement Description	<ul style="list-style-type: none"> Maximising the plot ratio by adding an additional floor to increase GFA by approximately 29,000 sq ft or 13.8% Redesigning and repositioning works to the façade, drop-off point, lift lobbies, lifts, the external linkway to the Mass Rapid Transit station



Address	7000 Ang Mo Kio Avenue 5, Singapore 569877
Asset Enhancement Description	<ul style="list-style-type: none"> Asset enhancement initiative to proceed on a multi-tenanted basis to create approximately 265,000 sq ft of additional GFA New asset enhancement design has the flexibility and specifications that are suitable for potential data centre tenants

Notes: (1) As at 6 May 2021. (2) By rental income as at 31 March 2021.

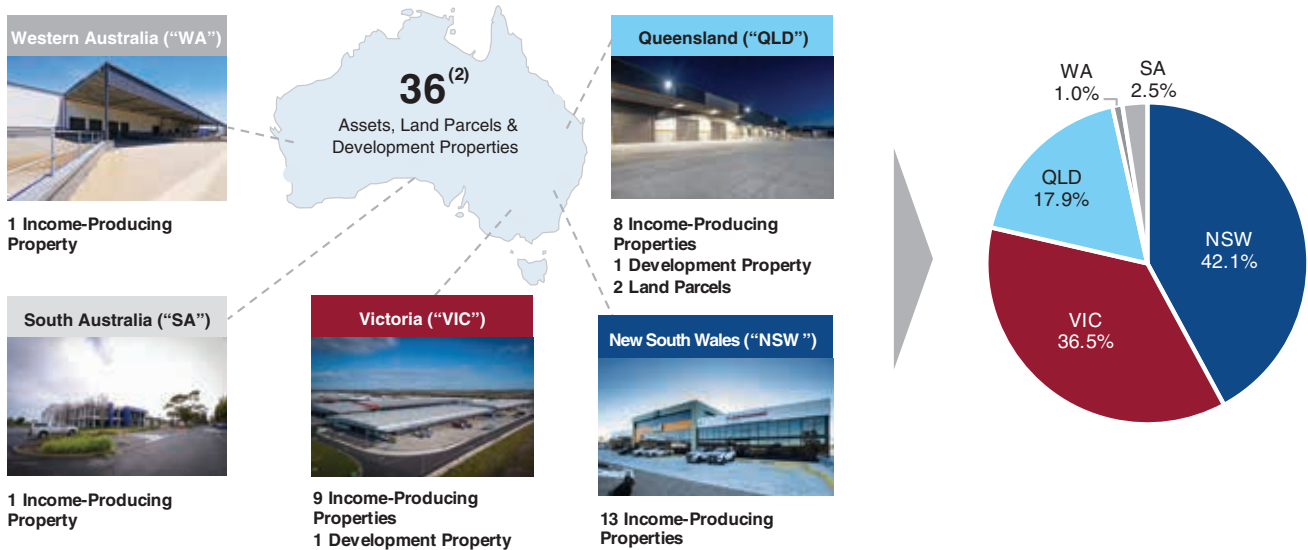
ACQUISITION OF 10% INTEREST IN ESR AUSTRALIA LOGISTICS PARTNERSHIP

On 6 May 2021, the Manager announced that the Trustee had entered into a unit sale agreement with, among others, One Funds Management Limited, in its capacity as trustee of ESR Queensland Hold Trust, to acquire the Sale Units at a purchase consideration of A\$60.5 million (approximately S\$62.4 million based on an illustrative exchange rate of A\$1.000 : S\$1.032).

As at 6 May 2021, the Fund indirectly holds 33 income-producing properties⁽¹⁾, two land parcels for future development and two properties which are currently under development and has total assets of A\$1.2 billion as at 31 March 2021⁽²⁾. The Australia Acquisition, which was fully funded by debt, was completed on 14 May 2021.



ESR Australia Logistics Partnership Portfolio Breakdown⁽³⁾



Notes: (1) Includes 65-75 Strelecki Avenue, Sunshine West, Victoria ("65-75 Strelecki Avenue") which was acquired by the Fund on 19 April 2021. (2) Excludes 65-75 Strelecki Avenue which was acquired by the Fund on 19 April 2021. (3) By value as at 31 March 2021 for the 32 Income-Producing Properties held by the Fund as at that date.

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CORPORATE INFORMATION

- Directors of ESR Funds Management (S) Limited (as manager of ESR-REIT) (the “Manager”, and the directors of the Manager, the “Directors”)** :
- Ms. Stefanie Yuen Thio
(Independent Chairman, Member of the Audit, Risk Management and Compliance Committee)
- Mr. Ooi Eng Peng
(Deputy Chairman, Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee, Chairman of the Executive Committee)
- Mr. Khor Un-Hun
(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, Chairman of the Nominating and Remuneration Committee)
- Mr. Philip John Pearce
(Non-Executive Director, Member of the Executive Committee)
- Mr. Jeffrey David Perlman
(Non-Executive Director, Member of the Nominating and Remuneration Committee, Member of the Executive 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,
Member of the Executive Committee)*

- Registered Office of the Manager** : 8 Changi Business Park Avenue 1
#05-51 ESR BizPark @ Changi (South Tower)
Singapore 486018
- Trustee of ESR-REIT (the “Trustee”)** : RBC Investor Services Trust Singapore Limited
8 Marina View #26-01
Asia Square Tower 1
Singapore 018960
- Legal Adviser to the Manager** : Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989
- Sole Financial Adviser and Coordinator for the Preferential Offering (the “Sole Financial Adviser and Coordinator”)** : RHB Bank Berhad, through its Singapore branch
90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531
- Legal Adviser to the Trustee** : Dentons Rodyk & Davidson LLP
80 Raffles Place #33-00
UOB Plaza 1
Singapore 048624
- Unit Registrar and Unit Transfer Office (the “Unit Registrar”)** : Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
- Independent Financial Adviser to the Independent Directors, the Audit, Risk Management and Compliance Committee of the Manager, and the Trustee (“IFA”)** : KPMG Corporate Finance Pte Ltd
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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OVERVIEW

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 41 to 46 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

OVERVIEW

About ESR-REIT

ESR-REIT has been listed on the SGX-ST since 25 July 2006 and invests in quality income-producing industrial properties and as at 31 December 2020 holds interest in a diversified portfolio of 57 properties located across Singapore, with a total gross floor area of approximately 15.1 million square feet and an aggregate property value of S\$3.1 billion¹. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide.

The Manager's objective is to provide Unitholders with a stable income stream through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Proactive asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

¹ Includes 100% of the valuation of 7000 Ang Mo Kio Avenue 5, Singapore 569877 ("**7000 AMK**") and 48 Pandan Road, Singapore 609289 ("**48 Pandan Road**"), in which ESR-REIT holds 80% interest in 7000 AMK and 49% interest in 48 Pandan Road, but excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 *Leases* which became effective on 1 January 2019. Valuation as at 31 December 2020.

SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from the Independent Unitholders (as defined below) for the proposed Whitewash Resolution (as defined below) (**Ordinary Resolution**²).

BACKGROUND

On 6 May 2021 and 7 May 2021, the Manager announced an offering of new Units ("**New Units**") by way of a private placement to institutional and other investors (the "**Private Placement**") under which 268,818,000 New Units were issued at an issue price of S\$0.372 per New Unit (the "**Private Placement Issue Price**"), to raise gross proceeds of approximately S\$100.0 million.

On 6 May 2021, the Manager also announced its intention to undertake a non-renounceable preferential offering of New Units to the existing Unitholders on a *pro rata* basis to raise gross proceeds of not more than approximately S\$50.0 million (the "**Preferential Offering**", and the New Units to be issued pursuant to the Preferential Offering, the "**Preferential Offering Units**"). The Manager has no intention of raising aggregate gross proceeds from the Private Placement and the Preferential Offering (collectively, the "**Equity Fund Raising**") in excess of approximately S\$150.0 million.

The Manager will be relying on the general mandate given by the Unitholders at the most recent annual general meeting of ESR-REIT held on 22 April 2021 for the issue of the Preferential Offering Units.

(See **paragraph 2** of this Circular for further details.)

Rationale for the Equity Fund Raising and the Transactions³

The Manager intends to apply the net proceeds from the Equity Fund Raising towards the Transactions, which will bring the following benefits to Unitholders:

- (i) The Acquisitions (as defined below) and the Asset Enhancement Initiatives are distribution per Unit ("**DPU**") accretive and value enhancing;
- (ii) Use of proceeds are in line with the Manager's strategy of acquisition growth, diversification and organic growth;
- (iii) Maintaining ESR-REIT's balance sheet and capital structure and enhancing its financial flexibility; and
- (iv) Possible increase in trading liquidity of the Units.

2 "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

3 "**Transactions**" means the Debt Repayment, the Australia Acquisition, the Singapore Acquisition and the Asset Enhancement Initiatives (each as defined below).

(See **paragraph 2.1** of this Circular for further details.)

DETAILS OF THE PREFERENTIAL OFFERING

The Manager proposes to issue up to approximately 143.0 million Preferential Offering Units (representing approximately 3.7% of the total number of Units in issue⁴ as at 29 June 2021, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”, and the Units in issue as at the Latest Practicable Date, the “**Existing Units**”)) to raise gross proceeds of not more than approximately S\$50.0 million.

The structure of and time schedule for the Preferential Offering and the issue price of the Preferential Offering Units (the “**Preferential Offering Issue Price**”) have not been determined and the Manager will announce the details of the Preferential Offering via SGXNET at the appropriate time. It should be noted that, while the Manager’s primary objective is to pursue a Preferential Offering, should the market conditions be non-conducive to raise capital, the Manager may decide in the best interest of Unitholders to fund the Transactions with the proceeds raised from the Private Placement and the remaining amounts using existing loan facilities. For the avoidance of doubt, ESR-REIT is able to complete the Transactions without the Preferential Offering.

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 of the SGX-ST (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 Units is not available for a full market day) for the preceding market day up to the time the Preferential Offering is announced.

ESR-REIT’s policy is to distribute at least 90.0% of its annual distributable income, comprising substantially its income from the letting of the properties owned by it after deduction of allowable expenses, on a quarterly basis to Unitholders. However, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution, an advanced distribution or such other plans to ensure fairness to existing Unitholders holding Units on the day immediately prior to the date on which the Preferential Offering Units will be issued. Further details pertaining to any adjustments to the distribution period, if any, and the status of the Preferential Offering Units will be announced at the appropriate time.

RHB Bank Berhad, through its Singapore branch, has been appointed as the Sole Financial Adviser and Coordinator in relation to the Preferential Offering. The Manager will work with the Sole Financial Adviser and Coordinator to determine the structure of and time schedule for the Preferential Offering, as well as the Preferential Offering Issue Price, after taking into account

⁴ Based on 3,877,236,558 Existing Units.

market conditions and other factors that the Manager and the Sole Financial Adviser and Coordinator may consider relevant.

The Preferential Offering will not be underwritten. Given the provision of the Sponsor Irrevocable Undertaking (as defined below), the Manager is of the view that there is no requirement for the Preferential Offering to be underwritten.

(See **paragraph 3** of this Circular for further details.)

Use of Proceeds

On the basis that the Manager will raise gross proceeds of approximately S\$50.0 million from the Preferential Offering, the Manager intends to utilise the gross proceeds of the Preferential Offering in the following manner:

- (i) approximately S\$19.0 million (which is equivalent to approximately 38.0% of the gross proceeds of the Preferential Offering) to partially finance the asset enhancement initiatives of the properties located at 16 Tai Seng Street, Singapore 534138 ("**16 Tai Seng Street**") and 7000 AMK (the "**Asset Enhancement Initiatives**"); and
- (ii) approximately S\$31.0 million (which is equivalent to approximately 62.0% of the gross proceeds of the Preferential Offering) for the repayment of existing indebtedness of ESR-REIT to reduce the overall debt used to finance the Australia Acquisition⁵ (the "**Debt Repayment**").

(See **paragraph 3.1** of this Circular for further details.)

Undertaking by ESR Cayman Limited (the "Sponsor")

To demonstrate its continued support, willingness to provide certainty of funding and to save underwriting fees for ESR-REIT and the Preferential Offering, the Sponsor, which owns 361,689,293 Units (representing approximately 9.3% of the Existing Units) through its subsidiaries, has on 11 June 2021 provided to the Manager an irrevocable undertaking (the "**Sponsor Irrevocable Undertaking**") that, among other things:

- (i) it will procure that e-Shang Infinity Cayman Limited (a Substantial Unitholder⁶ and a wholly-owned subsidiary of the Sponsor) ("**ESIC**") or, as the case may be, its nominee(s) or custodian(s) (collectively, the "**Sponsor Relevant Entities**") subscribe and pay in full

5 "**Australia Acquisition**" means ESR-REIT's acquisition of 10.0% of the total issued units (the "**Sale Units**") of ESR Australia Logistics Partnership (the "**Fund**"), which as at 6 May 2021, indirectly holds 33 income-producing properties (including 65-75 Strelecki Avenue, Sunshine West, Victoria ("**65-75 Strelecki Avenue**") which was acquired by the Fund on 19 April 2021) ("**Income-Producing Properties**"), two land parcels for future development ("**Land Parcels**") and two properties which are currently under development ("**Development Properties**") and has total assets of A\$1.2 billion as at 31 March 2021 (excludes 65-75 Strelecki Avenue which was acquired by the Fund on 19 April 2021). On 6 May 2021, the Manager announced that the Trustee had entered into a unit sale agreement with, among others, One Funds Management Limited, in its capacity as trustee of ESR Queensland Hold Trust, to acquire the Sale Units at a purchase consideration of A\$60.5 million (approximately S\$62.4 million based on an illustrative exchange rate of A\$1.000 : S\$1.032). The Australia Acquisition, which was fully funded by debt, was completed on 14 May 2021.

6 A "**Substantial Unitholder**" refers to a person with an interest in Units constituting not less than 5.0% of all Existing Units.

for the Sponsor Relevant Entities' total provisional allotments of the Preferential Offering Units (the "**Allotted Preferential Offering Units**"); and

- (ii) it will, in addition to paragraph (i) above, procure that the Sponsor Relevant Entities make excess application, subscribe and pay in full for, additional Preferential Offering Units, above the Sponsor Relevant Entities' Allotted Preferential Offering Units, which are not taken up by other Unitholders (the "**Excess Preferential Offering Units**") (with the Sponsor Relevant Entities ranking last in priority), provided that the total number of Preferential Offering Units applied for by the Sponsor Relevant Entities will not exceed a maximum subscription amount under the Preferential Offering of S\$50.0 million.

In the event that the independent Unitholders (the "**Independent Unitholders**"), being Unitholders other than (i) the Sponsor Relevant Entities and parties acting in concert or presumed to be acting in concert with them in relation to ESR-REIT (the "**Concert Party Group**") and (ii) parties not independent of the Concert Party Group, do not approve the proposed Whitewash Resolution, the subscription by the Sponsor Relevant Entities of the Allotted Preferential Offering Units and the Excess Preferential Offering Units pursuant to the Sponsor Irrevocable Undertaking may be scaled down pursuant to Rule 820(2) of the Listing Manual, so that such subscriptions do not oblige the Concert Party Group to make a mandatory offer for the remaining Units not already owned or controlled by the Concert Party Group pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers (the "**Code**", and such mandatory offer pursuant to Rule 14 of the Code, the "**Mandatory Offer**") as a result of Unitholders other than the Sponsor Relevant Entities not taking up their provisional allotment of Preferential Offering Units fully.

Where the Sponsor Irrevocable Undertaking is scaled down pursuant to Rule 820(2) of the Listing Manual, the Manager will finance the Transactions with the proceeds of the Equity Fund Raising and the remaining amounts using existing loan facilities.

(See **paragraph 3.2** of this Circular for further details.)

Receipt of Approval in-Principle

On 17 June 2021, the SGX-ST granted its approval in-principle for the listing and quotation of up to 143.0 million Preferential Offering Units on the Main Board of the SGX-ST, subject to certain conditions which are further set out in **paragraph 3.3** of this Circular.

WAIVER OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

The Securities Industry Council (“**SIC**”) has on 28 May 2021 granted a waiver (the “**SIC Waiver**”) to the Sponsor Group⁷ of the requirement for the Concert Party Group to make a Mandatory Offer, in the event that they incur an obligation to make a Mandatory Offer as a result of the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking, subject to the satisfaction of the conditions specified in the SIC Waiver (as set out in **paragraph 4.1** of this Circular) including the Independent Unitholders approving a resolution (the “**Whitewash Resolution**”), by way of a poll, to waive their rights to receive a general offer for their Units from the Concert Party Group.

In addition to the taking up by the Sponsor Relevant Entities of their *pro rata* entitlements to the Preferential Offering, the Sponsor has irrevocably undertaken to procure that the Sponsor Relevant Entities apply for the Excess Preferential Offering Units. The exact percentage increase of the Concert Party Group’s aggregate unitholding in ESR-REIT (“**Unitholding**”) will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to Rule 877(10) of the Listing Manual, the Sponsor Relevant Entities, among others, will rank last in the allocation of Excess Preferential Offering Units applications. The Concert Party Group’s percentage Unitholding after the Preferential Offering will therefore vary depending on the final allocation of the Excess Preferential Offering Units applied for.

Rule 14.1(b) of the Code states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of ESR-REIT and the Concert Party Group acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of ESR-REIT. If the Concert Party Group’s percentage Unitholding after the Preferential Offering increases by more than 1.0% as a result of any allocation further to the application by the Sponsor Relevant Entities for the Preferential Offering Units, the Concert Party Group would then be required to make a Mandatory Offer unless waived by the SIC. The SIC Waiver is accordingly sought by the Sponsor Group and the SIC Waiver was granted subject to the satisfaction of the conditions specified in the SIC Waiver (as set out in **paragraph 4.1** of this Circular), including the proposed Whitewash Resolution being approved by Independent Unitholders by way of a poll at the EGM. As at the Latest Practicable Date, the Concert Party Group holds 1,229,196,529 Units (representing 31.7% of the Existing Units).

Accordingly, the Manager is seeking approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer as a result of the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

⁷ “**Sponsor Group**” means the Sponsor, ESIC, ESR Funds Management (S) Limited and ESR Property Management (S) Pte. Ltd. (the property manager of ESR-REIT and a wholly-owned subsidiary of the Sponsor) (“**ESRPM**”).

Rationale for the Proposed Whitewash Resolution

The proposed Whitewash Resolution is to enable the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

The Manager is of the view that the application by the Sponsor Relevant Entities for the Preferential Offering Units pursuant to the Sponsor Irrevocable Undertaking demonstrates 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 aligns the interests of the Sponsor with those of other Unitholders, thereby enhancing the chances of a successful Preferential Offering.

INDICATIVE TIMETABLE

Any changes to the timetable below will be announced.

Event	Date and Time
Last date and time for pre-registration for the EGM	: 23 July 2021 at 10:00 a.m.
Last date and time for submission of questions in advance and lodgement of Proxy Forms	: 23 July 2021 at 10:00 a.m.
Date and time of the EGM	: 26 July 2021 at 10:00 a.m.

The Manager will work with the Sole Financial Adviser and Coordinator to determine the most appropriate time to launch the Preferential Offering.

ESR-REIT

(Constituted in the Republic of Singapore pursuant to the Trust Deed dated 31 March 2006 (as amended))

Directors of the Manager:

Registered Office

Ms. Stefanie Yuen Thio	<i>(Independent Chairman, Member of the Audit, Risk Management and Compliance Committee)</i>	8 Changi Business Park Avenue 1 #05-51 ESR BizPark @ Changi (South Tower) Singapore 486018
Mr. Ooi Eng Peng	<i>(Deputy Chairman, Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee, Chairman of the Executive Committee)</i>	
Mr. Khor Un-Hun	<i>(Independent Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee)</i>	
Dr. Leong Horn Kee	<i>(Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee)</i>	
Mr. Ronald Lim Cheng Aun	<i>(Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee, Chairman of the Nominating and Remuneration Committee)</i>	
Mr. Philip John Pearce	<i>(Non-Executive Director, Member of the Executive Committee)</i>	

Mr. Jeffrey David Perlman *(Non-Executive Director, Member of the Nominating and Remuneration Committee, Member of the Executive 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, Member of the Executive Committee)*

2 July 2021

To: Unitholders of ESR-REIT

Dear Sir/Madam

1. SUMMARY OF APPROVAL SOUGHT

The Manager is convening the EGM to seek the Independent Unitholders' approval for the proposed Whitewash Resolution (**Ordinary Resolution⁸**).

2. BACKGROUND

On 6 May 2021 and 7 May 2021, the Manager announced an offering of New Units by way of a Private Placement to institutional and other investors under which 268,818,000 New Units were issued at an issue price of S\$0.372 per New Unit, to raise gross proceeds of approximately S\$100.0 million.

Based on the timing requirements for the funding of the Singapore Acquisition and the Asset Enhancement Initiatives, subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately S\$100.0 million from the Private Placement in the following manner:

- (i) approximately S\$71.8 million (which is equivalent to approximately 71.8% of the gross proceeds of the Private Placement) to partially finance ESR-REIT's total costs of the acquisition of a modern ramp-up logistics asset

8 "Ordinary Resolution" means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

located at 46A Tanjong Penjuru, Singapore 609040⁹ (together with the plant and mechanical and electrical equipment) (the “**Property**”, and the acquisition of the Property, the “**Singapore Acquisition**”)¹⁰;

- (ii) approximately S\$24.5 million (which is equivalent to approximately 24.5% of the gross proceeds of the Private Placement) to partially finance the Asset Enhancement Initiatives; and
- (iii) approximately S\$3.7 million¹¹ (which is equivalent to approximately 3.7% of the gross proceeds of the Private Placement) to pay for the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by ESR-REIT in connection with the Equity Fund Raising.

As at the Latest Practicable Date, out of the gross proceeds of approximately S\$100.0 million from the Private Placement, approximately S\$74.0 million (which is equivalent to approximately 74.0% of the gross proceeds of the Private Placement) has been used in the following manner:

- (i) approximately S\$71.8 million (which is equivalent to approximately 71.8% of the gross proceeds of the Private Placement) to partially finance the Singapore Acquisition; and
- (ii) approximately S\$2.2 million (which is equivalent to approximately 2.2% of the gross proceeds of the Private Placement) to pay for the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by ESR-REIT in connection with the Equity Fund Raising.

Pending the deployment of the proceeds of the Private Placement, the proceeds have been deposited with banks and used to repay outstanding borrowings.

On 6 May 2021, the Manager also announced its intention to undertake a Preferential Offering of New Units to the existing Unitholders on a *pro rata* basis to raise gross proceeds of not more than approximately S\$50.0 million.

The Manager will be relying on the general mandate given by the Unitholders at the most recent annual general meeting of ESR-REIT held on 22 April 2021 for the issue of the Preferential Offering Units.

The Manager has no intention of raising aggregate gross proceeds from the Equity

9 46A Tanjong Penjuru is a 5-storey modern ramp-up logistics facility with mezzanine offices on each floor. The land tenure is 30 years from 1 May 2006 with an option to renew for a further term of 14 years. As at 6 May 2021, its committed occupancy is 100%.

10 On 6 May 2021, the Manager announced that the Trustee had entered into a put and call option agreement with Montview Investments Pte. Ltd. in connection with the Singapore Acquisition at a purchase consideration of S\$112.0 million. The Singapore Acquisition was completed on 29 June 2021.

11 The difference to this figure between this Circular and the announcement dated 7 May 2021 titled “Results of the Private Placement and Pricing of New Units under the Private Placement” is due to rounding.

Fund Raising in excess of approximately S\$150.0 million.

Subject to relevant laws and regulations, on the basis that the Manager will raise gross proceeds of approximately S\$150.0 million from the Equity Fund Raising, the Manager intends to use the gross proceeds of the Equity Fund Raising in the following manner:

- (i) approximately S\$71.8 million (which is equivalent to approximately 47.8% of the gross proceeds of the Equity Fund Raising) to partially finance the Singapore Acquisition;
- (ii) approximately S\$43.5 million (which is equivalent to approximately 29.0% of the gross proceeds of the Equity Fund Raising) to partially finance the Asset Enhancement Initiatives of the properties located at 16 Tai Seng Street and 7000 AMK;
- (iii) approximately S\$31.0 million (which is equivalent to approximately 20.7% of the gross proceeds of the Equity Fund Raising) for the Debt Repayment; and
- (iv) approximately S\$3.7 million¹² (which is equivalent to approximately 2.5% of the gross proceeds of the Equity Fund Raising) to pay for the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by ESR-REIT in connection with the Equity Fund Raising.

2.1 Rationale for the Equity Fund Raising and the Transactions

The Manager intends to apply the net proceeds from the Equity Fund Raising towards the Transactions, which will bring the following benefits to Unitholders:

(i) **The Acquisitions and the Asset Enhancement Initiatives are DPU accretive and value enhancing**

As announced on 6 May 2021, the DPU accretions for the Singapore Acquisition (which shall be partially funded by proceeds raised from the Equity Fund Raising) and the Australia Acquisition (which shall be fully funded by debt) (collectively, the “**Acquisitions**”) on a standalone *pro forma* historical basis for the financial year ended 31 December 2020

12 The difference to this figure between this Circular and the announcement dated 7 May 2021 titled “Results of the Private Placement and Pricing of New Units under the Private Placement” is due to rounding.

("FY2020") are 0.4%¹³ and 2.9%¹⁴ respectively. The Asset Enhancement Initiatives shall be partially funded by proceeds raised from the Equity Fund Raising.

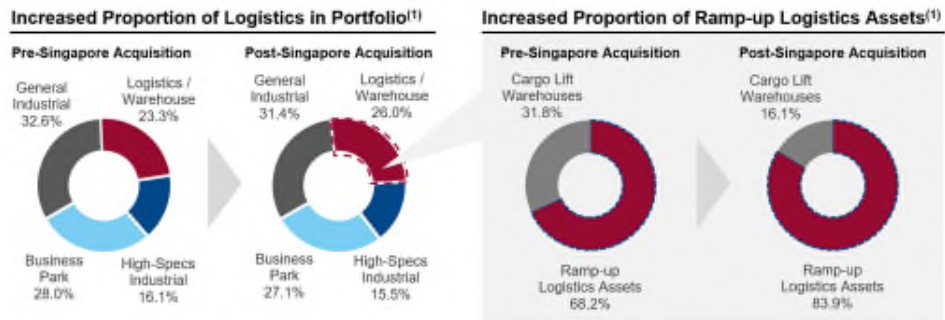
Please refer to **paragraph 2.2** of this Circular for further details on the financial effects of the Equity Fund Raising and the Transactions.

(ii) Use of proceeds are in line with the Manager's strategy of acquisition growth, diversification and organic growth

The Singapore Acquisition strengthens ESR-REIT's exposure to the logistics sector from 23.3% to 26.0% (by rental income) of ESR-REIT's asset portfolio. The Property will be the sixth modern ramp-up logistics asset, consequently increasing the proportion of modern ramp-up logistics assets from 68.2% to 83.9% (by rental income) in its logistics portfolio.

13 The *pro forma* financial effects were prepared based on ESR-REIT's latest audited financial statements for FY2020 and the following assumptions: (i) the purchase consideration of the Property of S\$112.0 million (the "**Singapore Purchase Consideration**") and the estimated upfront land premium payable to JTC Corporation ("**JTC**") for the balance of 15 years for the first 30-year JTC lease term of S\$7.6 million (the "**Estimated ULP**") is funded by existing bank loan facilities of S\$47.8 million (approximately 40.0% of the Singapore Purchase Consideration and the Estimated ULP) with an all-in interest cost of approximately 1.85% per annum and equity of S\$71.8 million (approximately 60.0% of the Singapore Purchase Consideration and the Estimated ULP) and assuming that 196.3 million new Units are issued at an illustrative issue price of S\$0.375 per new Unit to raise gross proceeds of S\$73.6 million and approximately 0.9 million new Units issued as payment of management fees to the Manager in FY2020 at an illustrative issue price of S\$0.410 per Unit as at 5 May 2021; (ii) the stamp duties, acquisition fees payable to the Manager, professional and other transaction fees and expenses incurred or to be incurred in connection with the Singapore Acquisition of approximately S\$5.1 million is funded by existing bank loan facilities; and (iii) the Singapore Acquisition had been completed on 1 January 2020 and ESR-REIT had held the Property through to 31 December 2020. The "**first 30-year JTC lease term**" refers to the Property's 30-year lease term from JTC commencing on 1 May 2006 and an option to renew for a further term of 14 years from 1 May 2036.

14 The *pro forma* financial effects were prepared based on ESR-REIT's latest audited financial statements for FY2020, the unaudited management accounts of the Fund and on the following assumptions: (i) the purchase consideration of the Australia Acquisition of S\$62.4 million (the "**Australia Purchase Consideration**") is fully funded by borrowings with an all-in interest cost of approximately 2.31% per annum; (ii) the estimated professional and other fees and expenses (including the upfront fees of the borrowings referred to in (i) above) of approximately S\$3.2 million are funded by existing bank loan facilities with an all-in interest cost of approximately 1.85% per annum; (iii) based on an illustrative exchange rate of A\$1.000 : S\$1.032; and (iv) assuming the Australia Acquisition had been completed on 1 January 2020 and ESR-REIT had held the Sale Units pursuant to the Australia Acquisition through to 31 December 2020.



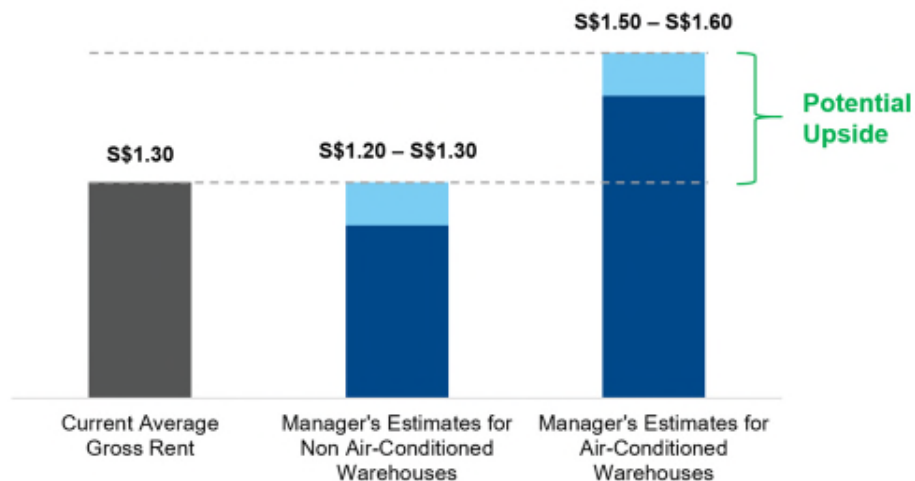
Note:

(1) By rental income as at 31 March 2021.

Located within the established Tanjong Penjuru logistics cluster, the Property allows the Manager to leverage the resilient and growing demand for logistics space from both e-commerce and industrialists looking to stock up raw materials as the manufacturers shift from Just-In-Time manufacturing to Just-In-Case manufacturing.

In addition, opportunities exist to enhance specifications of the Property into air-conditioned warehouse space to capture higher rental demand through active asset management.

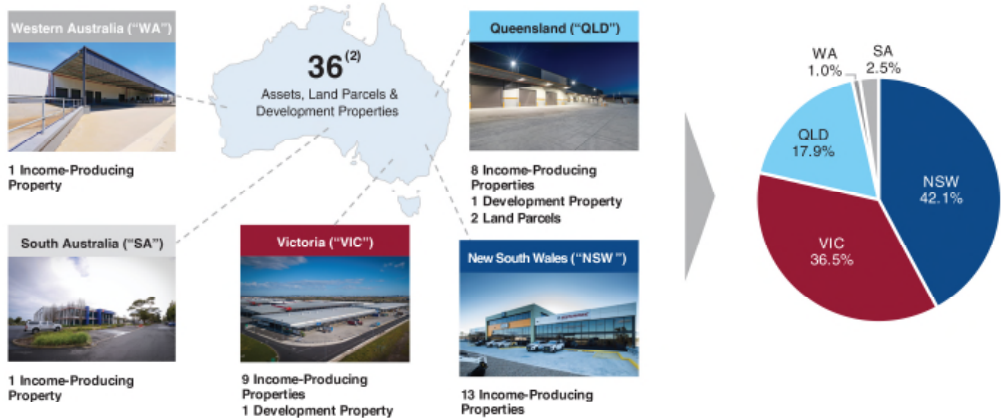
Gross Rents
(S\$psf per month)



The Australia Acquisition demonstrates ESR-REIT's ability to access the Sponsor's pipeline of quality assets and is ESR-REIT's maiden overseas acquisition. The Australia Acquisition provides geographical diversification and lengthens the weighted average land lease tenure of ESR-REIT's

portfolio¹⁵, and is in line with the Manager’s strategy to invest in markets where the Sponsor has real estate presence and operational capabilities so as to leverage the Sponsor’s capabilities in those markets.

ESR Australia Logistics Partnership Portfolio Breakdown⁽¹⁾



Notes:

- (1) By value as at 31 March 2021 for the 32 Income-Producing Properties held by the Fund as at that date.
- (2) Excludes 65-75 Strelecki Avenue which was acquired by the Fund on 19 April 2021.

The Asset Enhancement Initiatives reflect the Manager’s commitment to continually seek organic growth by active asset management to unlock value. Creating new gross floor area (“GFA”) through the development of unutilised plot ratio for high-specifications assets will enhance ESR-REIT’s portfolio to ensure that they remain relevant to the needs and demands of industrialists in the manufacturing and data centre sectors. At 16 Tai Seng Street, the Manager intends to conduct asset enhancement initiatives which will include redesigning and repositioning works to the façade, drop-off point, lift lobbies, lifts, the external linkway to the Mass Rapid Transit station and to maximise the plot ratio by adding an additional floor to increase GFA by approximately 29,000 square feet (“sq ft”) or 13.8%. At 7000 AMK, the Manager intends to proceed with the asset enhancement initiative on a multi-tenanted basis to create approximately 265,000 sq ft of additional GFA. The new asset enhancement design has the flexibility and specifications that are suitable for potential data centre tenants.

¹⁵ The land leases of the 32 Income-Producing Properties (excluding 65-75 Strelecki Avenue which was acquired by the Fund on 19 April 2021), are predominantly freehold (81.4% by value as at 31 March 2021), with the weighted average land lease expiry being 89.8 years assuming that freehold land has an equivalent land lease tenure of 99 years and taking into account only a 10.0% interest in the Fund.

(iii) Maintaining ESR-REIT's balance sheet and capital structure and enhancing its financial flexibility

On a *pro forma* basis as at 31 December 2020, assuming the Equity Fund Raising raised gross proceeds of up to approximately S\$150.0 million, ESR-REIT's aggregate leverage is expected to decrease from 41.6%¹⁶ to 41.4%¹⁶ after the Equity Fund Raising and following the completion of the Transactions. On 28 April 2021, ESR-REIT announced the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East for approximately S\$53.0 million (the “**Divestment**”). Assuming the Divestment had been completed on 31 December 2020 and the net proceeds from the Divestment had been fully utilised to repay outstanding borrowings, the *pro forma* aggregate leverage of ESR-REIT as at 31 December 2020 would have been reduced by approximately 1.0% from 41.4% to 40.4%.

The proposed funding of the Transactions through a mix of debt¹⁷ and equity (including the deleveraging by way of the Equity Fund Raising in respect of the Debt Repayment) is part of the Manager's active capital management strategy for ESR-REIT to maintain a well-balanced capital structure, while the commitment by the Sponsor to subscribe for the Preferential Offering Units pursuant to the Sponsor Irrevocable Undertaking further demonstrates the Sponsor's support for ESR-REIT. The 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 Manager will also continue to evaluate value-accretive opportunities while maintaining a well-balanced capital structure.

Please refer to **paragraph 2.2** of this Circular for further details on the financial effects of the Equity Fund Raising and the Transactions.

(iv) Possible increase in trading liquidity of the Units

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

¹⁶ As at 31 December 2020.

¹⁷ Save for an unsecured loan facility agreement entered into on 6 May 2021 between the Trustee, as borrower, and RHB Bank Berhad, as lender, for the purpose of, among other things, funding the Australia Acquisition, the debt funding of the Transactions will be by way of existing bank loan facilities. Assuming that gross proceeds of approximately S\$150.0 million is raised from the Equity Fund Raising, the amount to be funded by existing bank loan facilities will be approximately S\$25.2 million.

2.2 The Financial Effects of the Equity Fund Raising and the Transactions

(i) Method of Financing

The Manager currently intends to finance the total cost of the Transactions by a combination of equity and debt¹⁸.

(ii) Assumptions

The *pro forma* financial effects of the Equity Fund Raising and the Transactions presented below are strictly for illustration purposes only and do not reflect the actual position of ESR-REIT following completion of the Equity Fund Raising and the Transactions. The *pro forma* financial effects were prepared based on ESR-REIT's latest audited financial statements for FY2020 and the following assumptions:

- (1) assuming that approximately 403.2 million New Units are issued at an illustrative issue price of S\$0.372 per New Unit to raise gross proceeds of S\$150.0 million from the Equity Fund Raising;
- (2) approximately S\$71.8 million from the Equity Fund Raising and approximately S\$47.8 million of existing bank loan facilities with an all-in interest cost of approximately 1.85% per annum are used to finance ESR-REIT's total costs of the Singapore Acquisition;
- (3) approximately S\$62.4 million of bank loan facilities with an all-in interest cost of approximately 2.31% per annum are used to finance ESR-REIT's total costs of the Australia Acquisition;
- (4) approximately S\$43.5 million from the Equity Fund Raising are used to partially finance the Asset Enhancement Initiatives;
- (5) approximately S\$31.0 million from the Equity Fund Raising are used for Debt Repayment;
- (6) approximately S\$3.7 million from the Equity Fund Raising and approximately S\$8.3 million of existing bank loan facilities are used to pay for the stamp duties, acquisition fees payable to the Manager in respect of the Singapore Acquisition, estimated professional and other fees and expenses (including upfront fees of the bank loan facilities referred to in paragraph (3) above) incurred or to be incurred by ESR-REIT in connection with the Equity Fund Raising

¹⁸ Save for an unsecured loan facility agreement entered into on 6 May 2021 between the Trustee, as borrower, and RHB Bank Berhad, as lender, for the purpose of, among other things, funding the Australia Acquisition, the debt funding of the Transactions will be by way of existing bank loan facilities. Assuming that gross proceeds of approximately S\$150.0 million is raised from the Equity Fund Raising, the amount to be funded by existing bank loan facilities will be approximately S\$25.2 million.

and the Transactions; and

(7) based on an illustrative exchange rate of A\$1.000 : S\$1.032.

(iii) Pro forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Equity Fund Raising and the Transactions on ESR-REIT's DPU for FY2020, assuming the Equity Fund Raising and the Transactions had been completed on 1 January 2020, and ESR-REIT had held the Property pursuant to the Singapore Acquisition and the Sale Units pursuant to the Australia Acquisition through to 31 December 2020:

	Before the Transactions and the Equity Fund Raising	After the Transactions and the Equity Fund Raising
Net property income ("NPI") (S\$'000)	164,207	174,736 ⁽¹⁾
Dividend Income from the Australia Acquisition (S\$'000)	-	4,216 ⁽²⁾
Income available for distribution (S\$'000)	99,127	111,447
Applicable number of Units ('000)	3,540,250 ⁽³⁾	3,944,702 ⁽⁴⁾
DPU (cents)	2.800	2.825
DPU Accretion	-	0.9%

Notes:

- (1) Includes the NPI from the Asset Enhancement Initiatives based on assumed yield on cost of approximately 7.1%.
- (2) Based on an assumed first year pre-tax dividend yield of approximately 7.3% on the Australia Purchase Consideration and assuming 50% of the dividend income is subject to Australia withholding tax at 15%, the post-tax dividend yield on the Australia Purchase Consideration is approximately 6.8%.
- (3) Based on the applicable number of Units during FY2020.
- (4) Includes approximately 403.2 million new Units issued at the illustrative issue price of S\$0.372 per new Unit to raise gross proceeds of S\$150.0 million and approximately 1.2 million new Units issued as payment of management fees to the Manager in FY2020 at an illustrative issue price of S\$0.410 per Unit as at 5 May 2021.

(iv) Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Equity Fund Raising and the Transactions on the net asset value (“NAV”) per Unit as at 31 December 2020, assuming the Equity Fund Raising and the Transactions had been completed on 31 December 2020 are as follows:

	Before the Transactions and the Equity Fund Raising	After the Transactions and the Equity Fund Raising
NAV attributable to Unitholders (S\$'000)	1,446,990	1,585,681 ⁽¹⁾
Number of Units ('000)	3,576,362 ⁽²⁾	3,979,589 ⁽³⁾
NAV per Unit (cents)	40.5	39.8

Notes:

- (1) After payment of approximately S\$7.6 million for stamp duties, acquisition fees payable to the Manager in respect of the Singapore Acquisition, estimated professional and other fees and expenses, incurred or to be incurred by ESR-REIT in connection with the Transactions.
- (2) Number of Units in issue as at 31 December 2020.
- (3) Includes approximately 403.2 million new Units issued at the illustrative issue price of S\$0.372 per new Unit to raise net proceeds of S\$146.3 million.

(v) Pro Forma Capitalisation and Gearing

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Equity Fund Raising and the Transactions on the capitalisation and gearing of ESR-REIT as at 31 December 2020, assuming the Equity Fund Raising and the Transactions had been completed on 31 December 2020, are as follows:

	Before the Transactions and the Equity Fund Raising	After the Transactions and the Equity Fund Raising
Gross debt (S\$'000)	1,264,926	1,352,564
Total deposited property (S\$'000)	3,038,272	3,268,223
Aggregate Leverage ⁽¹⁾	41.6%	41.4% ⁽²⁾

Notes:

- (1) Includes ESR-REIT's 49% share of the borrowings, lease liabilities and total assets of PTC Logistics Hub LLP but 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.
- (2) On 28 April 2021, ESR-REIT announced the Divestment for approximately S\$53.0 million. Assuming the Divestment had been completed on 31 December 2020 and the net proceeds from the Divestment had been fully utilised to repay outstanding borrowings, the *pro forma* aggregate leverage of ESR-REIT as at 31 December 2020 would have been reduced by approximately 1.0% from 41.4% to 40.4%.

3. DETAILS OF THE PREFERENTIAL OFFERING

The Manager proposes to issue up to approximately 143.0 million Preferential Offering Units (representing approximately 3.7% of the Existing Units) to raise gross proceeds of not more than approximately S\$50.0 million.

The structure of and time schedule for the Preferential Offering and the Preferential Offering Issue Price have not been determined and the Manager will announce the details of the Preferential Offering via SGXNET at the appropriate time. It should be noted that, while the Manager's primary objective is to pursue a Preferential Offering, should the market conditions be non-conducive to raise capital, the Manager may decide in the best interest of Unitholders to fund the Transactions with the proceeds raised from the Private Placement and the remaining amounts using existing loan facilities. For the avoidance of doubt, ESR-REIT is able to complete the Transactions without the Preferential Offering.

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 Units is not available for a full market day) for the preceding market day up to the time the Preferential Offering is announced.

ESR-REIT's policy is to distribute at least 90.0% of its annual distributable income, comprising substantially its income from the letting of the properties owned by it after deduction of allowable expenses, on a quarterly basis to Unitholders. However, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution, an advanced distribution or such other plans to ensure fairness to existing Unitholders holding Units on the day immediately prior to the date on which the Preferential Offering Units will be issued. Further details pertaining to any adjustments to the distribution period, if any, and the status of the Preferential Offering Units will be announced at the appropriate time.

Unitholders should note that the Preferential Offering will be on a non-renounceable basis. The ARE¹⁹ will not be renounceable or transferable and will be for use only by entitled Unitholders.

RHB Bank Berhad, through its Singapore branch, has been appointed as the Sole Financial Adviser and Coordinator in relation to the Preferential Offering. The Manager will work with the Sole Financial Adviser and Coordinator to determine the structure of and time schedule for the Preferential Offering, as well as the Preferential Offering Issue Price, after taking into account market conditions and other factors that the Manager and the Sole Financial Adviser and Coordinator may consider relevant.

The Preferential Offering Issue Price will be determined by the Manager and in consultation with the Sole Financial Adviser and Coordinator closer to the date of commencement of the Preferential Offering. The actual number of Preferential Offering Units to be issued will depend on the aggregate amount of proceeds to be raised from the Preferential Offering and the Preferential Offering Issue Price.

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

To demonstrate its continued support, willingness to provide certainty of funding and to save underwriting fees for ESR-REIT and the Preferential Offering, the Sponsor has on 11 June 2021 provided to the Manager the Sponsor Irrevocable Undertaking to subscribe for Preferential Offering Units. Please refer to **paragraph 3.2** of this Circular for further details on the Sponsor Irrevocable Undertaking.

The Preferential Offering will not be underwritten. Given the provision of the Sponsor Irrevocable Undertaking, the Manager is of the view that there is no requirement for the Preferential Offering to be underwritten.

On 17 June 2021, the SGX-ST granted its approval in-principle for the listing and quotation of up to 143.0 million Preferential Offering Units on the Main Board of the SGX-ST, subject to certain conditions which are further set out in **paragraph 3.3** of this Circular.

3.1 Use of Proceeds

On the basis that the Manager will raise gross proceeds of approximately S\$50.0 million from the Preferential Offering, the Manager intends to utilise the gross proceeds of the Preferential Offering in the following manner:

¹⁹ "ARE" refers to the application for rights entitlement acceptance form for New Units provisionally allotted to entitled Unitholders under the Preferential Offering and application form for excess New Units.

- (i) approximately S\$19.0 million (which is equivalent to approximately 38.0% of the gross proceeds of the Preferential Offering) to partially finance the Asset Enhancement Initiatives; and
- (ii) approximately S\$31.0 million (which is equivalent to approximately 62.0% of the gross proceeds of the Preferential Offering) for the Debt Repayment.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Preferential Offering at its absolute discretion for other purposes, including without limitation, to fund capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Preferential Offering 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 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 Manager will announce the reasons for such a deviation.

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

Further details pertaining to the use of proceeds of the Preferential Offering (including details on the final percentage allocation for each use) will be announced at the appropriate time.

3.2 Undertaking by the Sponsor

To demonstrate its continued support, willingness to provide certainty of funding and to save underwriting fees for ESR-REIT and the Preferential Offering, the Sponsor, which owns 361,689,293 Units (representing approximately 9.3% of the Existing Units) through its subsidiaries, has on 11 June 2021 provided to the Manager the Sponsor Irrevocable Undertaking that, among other things:

- (i) it will procure that the Sponsor Relevant Entities subscribe and pay in full for the Allotted Preferential Offering Units; and
- (ii) it will, in addition to paragraph (i) above, procure that the Sponsor Relevant Entities make excess application, subscribe and pay in full for, Excess Preferential Offering Units (with the Sponsor Relevant Entities ranking last

in priority), provided that the total number of Preferential Offering Units applied for by the Sponsor Relevant Entities will not exceed a maximum subscription amount under the Preferential Offering of S\$50.0 million.

The Sponsor Irrevocable Undertaking is subject to the approval in-principle granted by the SGX-ST for the dealing, listing and quotation of the Preferential Offering Units on the Main Board of the SGX-ST having been obtained and not having been withdrawn.

The approval of the Independent Unitholders, being Unitholders other than (i) the Concert Party Group and (ii) parties not independent of the Concert Party Group, is being sought for the proposed Whitewash Resolution in connection with the transactions contemplated under the Sponsor Irrevocable Undertaking.

Taking into account the Sponsor Irrevocable Undertaking and external bank borrowings, the Manager is of the view that the proceeds to be raised from the Equity Fund Raising will be sufficient to meet ESR-REIT's present funding requirements comprising the funding of the Transactions and its present obligations as and when they fall due.

In the event that the Independent Unitholders do not approve the proposed Whitewash Resolution, the subscription by the Sponsor Relevant Entities of the Allotted Preferential Offering Units and the Excess Preferential Offering Units pursuant to the Sponsor Irrevocable Undertaking may be scaled down pursuant to Rule 820(2) of the Listing Manual, so that such subscriptions do not oblige the Concert Party Group to make a Mandatory Offer as a result of Unitholders other than the Sponsor Relevant Entities not taking up their provisional allotment of Preferential Offering Units fully.

Where the Sponsor Irrevocable Undertaking is scaled down pursuant to Rule 820(2) of the Listing Manual, the Manager will finance the Transactions with the proceeds of the Equity Fund Raising and the remaining amounts using existing loan facilities.

3.3 Receipt of Approval in-Principle

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of up to 143.0 million Preferential Offering Units on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Preferential Offering Units, ESR-REIT and/or its subsidiaries. The SGX-ST's in-principle approval is subject to the following:

- (i) Compliance with the SGX-ST's listing requirements; and
- (ii) Submission of:

- (1) a written undertaking from the Manager that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Preferential Offering and where proceeds are to be used for working capital purposes, ESR-REIT will disclose a breakdown with specific details on the use of proceeds for working capital in its announcements on use of proceeds and in the annual report;
- (2) a written undertaking from the Manager that it will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any excess Preferential Offering Units;
- (3) a written undertaking from the Manager that it will comply with Rule 816(2)(ii) of the Listing Manual on the discount limit with regard to the Preferential Offering Issue Price; and
- (4) a written undertaking from the financial institution(s) as required under Rule 877(9) of the Listing Manual that the Sponsor, who has given the Sponsor Irrevocable Undertaking, has sufficient financial resources to fulfil its obligations under its undertaking.

4. WAIVER OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

The Manager proposes to seek approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer as a result of the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

In addition to taking up by the Sponsor Relevant Entities of their *pro rata* entitlements to the Preferential Offering, the Sponsor has irrevocably undertaken to procure that the Sponsor Relevant Entities apply for the Excess Preferential Offering Units. The exact percentage increase of the Concert Party Group's aggregate Unitholding will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to Rule 877(10) of the Listing Manual, the Sponsor Relevant Entities, among others, will rank last in the allocation of Excess Preferential Offering Units applications. The Concert Party Group's percentage Unitholding after the Preferential Offering will therefore vary depending on the final allocation of the Excess Preferential Offering Units applied for.

Rule 14.1(b) of the Code states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of ESR-REIT and the Concert Party Group acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of ESR-REIT. If the Concert Party Group's percentage

Unitholding after the Preferential Offering increases by more than 1.0% as a result of any allocation further to the application by the Sponsor Relevant Entities for the Preferential Offering Units, the Concert Party Group would then be required to make a Mandatory Offer unless waived by the SIC. The SIC Waiver is accordingly sought by the Sponsor Group.

For illustrative purposes, the following example shows an illustrative scenario where the Preferential Offering is for gross proceeds of S\$50.0 million and approximately 134.4 million Preferential Offering Units are issued at an illustrative issue price of S\$0.372 per Preferential Offering Unit pursuant to the Preferential Offering.

The following table sets out the respective maximum Unitholdings of the Sponsor Relevant Entities and the Concert Party Group if the Sponsor Relevant Entities accept their Allotted Preferential Offering Units in full and are allocated in full for their application for the Excess Preferential Offering Units pursuant to the Sponsor Irrevocable Undertaking and Unitholders other than the Sponsor Relevant Entities do not participate in the Preferential Offering.

	As at the Latest Practicable Date	After the Preferential Offering⁽¹⁾
Issued Units	3,877,236,558	4,011,645,160
Number of Units held by the Sponsor Relevant Entities	320,954,107	455,362,709
Number of Units held by the Concert Party Group (including the Sponsor Relevant Entities)	1,229,196,529	1,363,605,131
Number of Units held by Unitholders, other than the Concert Party Group	2,648,040,029	2,648,040,029
% of issued Units held by the Sponsor Relevant Entities	8.3%	11.4%
% of issued Units held by the Concert Party Group (including the Sponsor Relevant Entities)	31.7%	34.0%
% of issued Units held by Unitholders, other than the Concert Party Group	68.3%	66.0%

Note:

- (1) Assuming the Sponsor Relevant Entities accept their Allotted Preferential Offering Units in full and are allocated in full for their application for the Excess Preferential Offering Units and Unitholders other than the Sponsor Relevant Entities do not participate in the Preferential Offering.

Therefore, an obligation to make a Mandatory Offer would arise in the event that none of the Unitholders other than the Sponsor Relevant Entities subscribes for the Preferential Offering Units.

4.1 Application for Waiver from Rule 14 of the Code

An application was made to the SIC on 30 April 2021 for the waiver of the obligation of the Concert Party Group to make a Mandatory Offer under Rule 14 of the Code should the obligation to do so arise as a result of the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

The SIC granted the SIC Waiver on 28 May 2021, subject to, *inter alia*, the satisfaction of the following conditions:

- (i) a majority of Unitholders approve at a general meeting, before the issue of the Preferential Offering Units, the proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Concert Party Group;
- (ii) the proposed Whitewash Resolution is separate from other resolutions;
- (iii) the Concert Party Group and parties not independent of them abstain from voting on the proposed Whitewash Resolution;
- (iv) the Concert Party Group did not acquire or are not to acquire any Units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Units which have been disclosed in this Circular):
 - (1) during the period between the date of the first announcement of the Equity Fund Raising (i.e. 6 May 2021) and the date on which the Independent Unitholders' approval is obtained for the proposed Whitewash Resolution; and
 - (2) in the six months prior to the date of the first announcement of the Equity Fund Raising (i.e. 6 May 2021), but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Equity Fund Raising;
- (v) ESR-REIT appoints an independent financial adviser to advise the Independent Unitholders on the proposed Whitewash Resolution;
- (vi) ESR-REIT sets out clearly in this Circular:

- (1) details of the Equity Fund Raising, including the proposed acquisition of the Allotted Preferential Offering Units and the Excess Preferential Offering Units by the Sponsor Relevant Entities in accordance with the terms of the Sponsor Irrevocable Undertaking;
 - (2) the dilution effect to existing Unitholders upon the acquisition of the Allotted Preferential Offering Units and the Excess Preferential Offering Units by the Sponsor Relevant Entities in accordance with the terms of the Sponsor Irrevocable Undertaking;
 - (3) the number and percentage of Units as well as the number of instruments convertible into, rights to subscribe for and options in respect of Units held by the Concert Party Group as at the Latest Practicable Date;
 - (4) the number and percentage of Units to be acquired by the Sponsor Relevant Entities upon their acquisition of the Allotted Preferential Offering Units and the Excess Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking; and
 - (5) specific and prominent reference to the fact that the Independent Unitholders, by voting for the proposed Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group at the highest price paid by the Concert Party Group for Units in the past six months preceding the commencement of the Mandatory Offer;
- (vii) this Circular states that the waiver granted by the SIC to the Concert Party Group from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions set out in **paragraphs 4.1(i) to (vi)** of this Circular;
- (viii) ESR-REIT obtains the SIC's approval in advance for the parts of this Circular that refer to the proposed Whitewash Resolution; and
- (ix) to rely on the proposed Whitewash Resolution, approval of the proposed Whitewash Resolution must be obtained within three months of the date of the SIC Waiver and the acquisition of the Allotted Preferential Offering Units and the Excess Preferential Offering Units by the Concert Party Group must be completed within three months of the date of the approval of the proposed Whitewash Resolution.

As at the Latest Practicable Date, conditions (ii) and (iv) to (viii) listed above have been satisfied.

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

4.2 Units Previously Issued to the Manager and ESRPM in Payment of Fees and to the Concert Party Group Pursuant to ESR-REIT's Distribution Reinvestment Plan

Under paragraph 2(d) of Appendix 1 of the Code, a condition to a waiver to Rule 14 of the Code is that the Concert Party Group did not acquire or are not to acquire any Units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Units which have been disclosed in this Circular) during the period (i) between the date of the first announcement of the Equity Fund Raising and the date on which the Independent Unitholders' approval is obtained for the proposed Whitewash Resolution and (ii) in the six months prior to the date of the first announcement of the Equity Fund Raising but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to such proposal (the "**Relevant Period**").

The Manager and ESRPM have received Units as payment for their management fees on 28 May 2021, 18 February 2021 and 26 November 2020 during the Relevant Period and the Concert Party Group has received Units issued pursuant to ESR-REIT's Distribution Reinvestment Plan on 24 June 2021, 19 March 2021 and 30 December 2020 during the Relevant Period. The acquisition of these Units does not constitute a breach of paragraph 2(d) of Appendix 1 of the Code as these are new Units issued for the purpose of payment of the Manager's and ESRPM's management fees and pursuant to ESR-REIT's Distribution Reinvestment Plan.

4.3 Rationale for the Proposed Whitewash Resolution

The proposed Whitewash Resolution is to enable the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

The Manager is of the view that the application by the Sponsor Relevant Entities for the Preferential Offering Units pursuant to the Sponsor Irrevocable Undertaking demonstrates 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 aligns the interests of the Sponsor with those of other Unitholders, thereby enhancing the chances of a successful Preferential Offering.

5. **ADVICE OF THE IFA**

The Manager has appointed the IFA as the independent financial adviser to advise the independent directors of the Manager (the “**Independent Directors**”), the Audit, Risk Management and Compliance Committee of the Manager (the “**Audit, Risk Management and Compliance Committee**”) and the Trustee in relation to the proposed Whitewash Resolution. A copy of the letter from the IFA to the Independent Directors, the Audit, Risk Management and Compliance Committee and the Trustee, containing its advice in full (the “**IFA Letter**”) is set out in **Appendix A** of this Circular and Unitholders are advised to read the IFA Letter carefully.

The IFA’s opinion is extracted and set out in italics below:

“In arriving at our opinion in respect of the Whitewash Resolution, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) rationale of the Whitewash Resolution;*
- (b) Preferential Offering New Units offered on a pro rata and non-renounceable basis;*
- (c) pricing of the Preferential Offering New Units;*
- (d) potential dilution arising from the Preferential Offering; and*
- (e) other relevant considerations.*

Having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that:

- (i) the terms of the Preferential Offering, being the subject of the proposed Whitewash Resolution; and*
- (ii) the Whitewash Resolution,*

are fair and reasonable.”

The IFA advises the Independent Directors and the Audit, Risk Management and Compliance Committee to recommend that the Independent Unitholders vote in favour of the proposed Whitewash Resolution.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

6.1 Interests of Directors

Based on the Register of Directors' Unitholdings maintained by the Manager, the direct and deemed interests of the Directors in the Units as at the Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
Mr. Ooi Eng Peng	-	-	-	-	-	-
Mr. Khor Un-Hun	-	-	-	-	-	-
Mr. Philip John Pearce	-	-	-	-	-	-
Mr. Jeffrey David Perlman	-	-	-	-	-	-
Dr. Leong Horn Kee	-	-	-	-	-	-
Mr. Ronald Lim Cheng Aun	158,757	0.0041	-	-	158,757	0.0041
Ms. Stefanie Yuen Thio	148,527	0.0038	37,882 ⁽²⁾	0.0010	186,409	0.0048
Mr. Wilson Ang Poh Seong	3,793,387	0.0978	-	-	3,793,387	0.0978
Mr. Tong Jinqun	172,802,987	4.4569	664,043,000 ⁽³⁾	17.1267	836,845,987	21.5836
Mr. Adrian Chui	-	-	-	-	-	-

Notes:

- (1) The percentage interest is computed based on the Existing Units of 3,877,236,558 Units.
- (2) As 37,882 Units are held by Ms. Stefanie Yuen Thio's husband, Ms. Stefanie Yuen Thio is deemed to be interested in these Units.
- (3) Wealthy Fountain Holdings Inc ("WFHI") holds 60 Units and Skyline Horizon Consortium Ltd ("SHCL") holds 13,172,094 Units. Both WFHI and SHCL are wholly-owned by Shanghai Summit Pte Ltd ("SSPL"). The Manager holds 28,918,168 Units and is 25% owned by SSPL. Both SSPL and Shanghai Summit (Group) Co., Ltd ("SSGCL") are wholly-owned by Mr. Tong Jinqun. Therefore, he is deemed to be interested in 621,952,678 Units held by SSGCL and 42,090,322 Units held by SSPL.

6.2 Interests of Substantial Unitholders in Units

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Substantial Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	%*	No. of Units	%*	No. of Units	%*
Mr. Tong Jinquan	172,802,987	4.4569	664,043,000 ⁽¹⁾	17.1267	836,845,987	21.5836
SSGCL	-	-	621,952,678 ⁽²⁾	16.0411	621,952,678	16.0411
Longemont Real Estate Pte. Ltd. ("LREPL")	-	-	621,952,678 ⁽²⁾	16.0411	621,952,678	16.0411
Leading Wealth Global Inc ("LWGI")	621,952,678	16.0411	-	-	621,952,678	16.0411
ESR Cayman Limited	-	-	361,689,293 ⁽³⁾	9.3285	361,689,293	9.3285
e-Shang Jupiter Cayman Limited ("ESJC")	-	-	361,689,293 ⁽³⁾	9.3285	361,689,293	9.3285
ESIC	320,954,107	8.2779	40,735,186 ⁽⁴⁾	1.0506	361,689,293	9.3285

Notes:

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

- (1) WFHI holds 60 Units and SHCL holds 13,172,094 Units. Both WFHI and SHCL are wholly-owned by SSPL. The Manager holds 28,918,168 Units and is 25% owned by SSPL. Both SSPL and SSGCL are wholly-owned by Mr. Tong Jinquan. Therefore, he is deemed to be interested in 621,952,678 Units held by SSGCL and 42,090,322 Units held by SSPL.
- (2) SSGCL is the sole shareholder of LREPL, which is in turn the sole shareholder of LWGI. Therefore, each of SSGCL and LREPL is deemed to be interested in the 621,952,678 Units held by LWGI.
- (3) The Sponsor is the sole shareholder of ESJC, which is in turn the sole shareholder of ESIC. Therefore, each of the Sponsor and ESJC is deemed to be interested in the 361,689,293 Units held by ESIC.
- (4) ESIC indirectly owns 67.3% equity interest in the Manager and 100.0% equity interest in ESRPM. The Manager and ESRPM holds 28,918,168 Units and 11,817,018 Units, respectively. Therefore, ESIC is deemed to be interested in the 40,735,186 Units held by the Manager and ESRPM.

Save as otherwise disclosed in this Circular and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the proposed Whitewash Resolution.

7. RECOMMENDATION

The Independent Directors have considered the opinion of the IFA (as set out in the IFA Letter in **Appendix A** of this Circular) and the rationale for the proposed Whitewash Resolution as set out in **paragraph 4.3** of this Circular, and recommend that the Independent Unitholders **VOTE IN FAVOUR** of the Whitewash Resolution at the EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held by way of electronic means on 26 July 2021 for the purpose of considering and, if thought fit, passing (with or without modification), the resolution set out in the Notice of Extraordinary General Meeting which is set out on **pages B-1 to B-3** of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the Whitewash Resolution. Approval by way of an Ordinary Resolution is required in respect of the Whitewash Resolution.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“**CDP**”) as at 72 hours before the time fixed for the EGM.

9. ABSTENTIONS FROM VOTING

Pursuant to the SIC Waiver granted in relation to the Whitewash Resolution, the Concert Party Group and parties not independent of them are required to abstain from voting on the Whitewash Resolution.

10. ACTION TO BE TAKEN BY UNITHOLDERS

10.1 Date, Time and Conduct of EGM

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation in relation to Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation issued on 1 October 2020, which sets out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts, the EGM will be convened and held by way of electronic means on 26 July 2021 at 10:00 a.m. (Singapore time).

10.2 Notice of Extraordinary General Meeting and Proxy Form

In addition to printed copies of the Notice of Extraordinary General Meeting and Proxy Form which will be sent to Unitholders, the Notice of Extraordinary General Meeting and Proxy Form will also be made available to Unitholders by electronic

means via publication on ESR-REIT's website at the URL <https://esr-reit.listedcompany.com/meetings.html> and on the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>.

10.3 No personal attendance at EGM

Due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the EGM in person.

10.4 Alternative arrangements for participation at the EGM

Unitholders may participate at the EGM by:

- (i) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream;
- (ii) submitting questions in advance of or at the EGM; and
- (iii) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Details of the steps for pre-registration, pre-submission of questions and voting at the EGM are set out in the Notice of Extraordinary General Meeting below on **pages B-1 to B-3**.

10.5 Key Dates and Times

The table below sets out the key dates/deadlines for Unitholders to note:

Key Dates	Actions
2 July 2021 (Friday), 10.00 a.m.	Unitholders and investors who hold Units through the Central Provident Fund (“CPF”) or the Supplementary Retirement Scheme (“SRS”) (“CPF/SRS investors”) may begin to pre-register at the URL http://www.smartagm.sg/esrreitegm2021 for the live audio-visual webcast or live audio-only stream of the EGM proceedings.
13 July 2021 (Tuesday), 5.00 p.m.	<p>Deadline for CPF/SRS investors who wish to vote to approach their respective CPF Agent Banks / SRS Operators to submit their votes.</p> <p>Persons who hold Units through a Relevant Intermediary (as defined in the trust deed constituting ESR-REIT (as amended)) (“Relevant Intermediary Unitholders”) who wish to vote must approach their respective Relevant Intermediary as soon as possible to specify voting instructions.</p>
23 July 2021 (Friday), 10.00 a.m.	<p>Deadline to:</p> <ul style="list-style-type: none"> • Pre-register for the live audio-visual webcast or live audio-only stream of the EGM proceedings • Submit questions in advance of the EGM in relation to the resolution tabled at the EGM; and • Submit Proxy Forms via post to the Unit Registrar’s office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or email to SRS.TeamE@boardroomlimited.com. <p><i>NB: This does not apply to Relevant Intermediary Unitholders and CPF/SRS investors who have earlier cut-off dates stipulated by the Relevant Intermediary and CPF Agent Banks/ SRS Operators respectively.</i></p>
25 July 2021 (Sunday), 10.00 a.m.	<p>Authenticated Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who have pre-registered for the live audio-visual webcast or live audio-only stream of the EGM proceedings will receive a confirmation email which contains unique user credentials and instructions on how to access the live audio-visual webcast / live audio-only stream of the EGM proceedings and submit questions during the EGM (the “Confirmation Email”).</p> <p>Authenticated Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who do not receive the Confirmation Email by 10.00 a.m. on 25 July 2021 (Sunday), but have pre-registered for the live audio-visual webcast / live audio-only stream of the EGM proceedings by the deadline of 10.00 a.m. on 23 July 2021 (Friday), should</p>

	contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or at SRS.TeamE@boardroomlimited.com immediately.
Date and time of EGM 26 July 2021 (Monday), 10.00 a.m.	Click on the link in the Confirmation Email and follow instructions to access the live audio-visual webcast of the EGM proceedings; or Call the telephone number in the Confirmation Email and follow the instructions to access the live audio-only stream of the EGM proceedings.

10.6 Important Reminder

In view of the rapidly evolving COVID-19 situation, Unitholders should note that the manner of conduct of the EGM may be subject to further changes at short notice. Unitholders are advised to check ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> and SGXNET regularly for updates. Alternatively, Unitholders may sign up for email alerts here (https://esr-reit.listedcompany.com/email_alerts.html) to receive the latest updates.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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, ESR-REIT and its subsidiaries, 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 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 those sources and/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 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 contained in this Circular misleading.

13. CONSENTS

The IFA has given and not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter, and all references thereto, in the form and context in which they appear in this Circular, as well as to act in such capacity in relation to this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection²⁰ during normal business hours at the registered office of the Manager located at 8 Changi Business Park Avenue 1, #05-51 ESR BizPark @ Changi (South Tower), Singapore 486018 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the IFA Letter;
- (ii) the written letter of consent from the IFA; and
- (iii) the audited financial statements of ESR-REIT for FY2020.

The Trust Deed will be available for inspection at the registered office of the 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)

Adrian Chui

Chief Executive Officer and Executive Director

2 July 2021

²⁰ Prior appointment with the Manager is required. Please contact ESR-REIT investor relations.

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of ESR-REIT is not necessarily indicative of the future performance of ESR-REIT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting and the Proxy Form) may be accessed at ESR-REIT's website at the URL <https://esr-reit.listedcompany.com/meetings.html>, and are also available on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.

This Circular is issued to Unitholders solely for the purpose of convening the EGM and seeking the approval of the Independent Unitholders for the resolution to be proposed at the EGM. This Circular does not constitute an offering document for the offer of the New Units in the United States or any other jurisdiction, and no offer of any New Units is being made in this Circular. Any offer of New Units will be made in compliance with all applicable laws and regulations.

This Circular is not for distribution, directly or indirectly, in or into the United States. Any proposed issue of New Units described in this Circular will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, or under the securities laws of any other jurisdiction, and any such New Units may not be offered or sold within the United States or to or for the account or benefit of any

U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable laws. The Manager does not intend to conduct a public offering of any securities of ESR-REIT in the United States.

ESR-REIT is an unregulated collective investment scheme for the purposes of the United Kingdom Financial Services and Markets Act 2000 (as amended) (“**FSMA**”), which has not been authorised or recognised by the United Kingdom Financial Conduct Authority (the “**FCA**”). The promotion of the Units and the distribution of this Circular in the UK is accordingly restricted by law.

Where the person distributing this Circular is:

- (i) a person authorised under FSMA to carry on business in the UK, this Circular is being provided only to:
 - (a) persons outside the UK;
 - (b) firms that are authorised under FSMA and certain other persons who are investment professionals falling within Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended, the “**CIS Promotion Order**”);
 - (c) high net worth companies, unincorporated associations and other bodies within the categories described in Article 22 of the CIS Promotion Order;
 - (d) the directors, officers and employees (“**A**”) of any person falling within (i)(b)-(c) above (“**B**”), where this Circular is provided to A in that capacity and where the responsibilities of A, when acting in that capacity, involve A in B’s participation in unregulated schemes; or
 - (e) persons to whom it may otherwise lawfully be communicated; and
- (ii) a person not authorised under FSMA, this Circular is being provided only to:
 - (a) persons outside the UK;
 - (b) firms that are authorised under FSMA or certain other persons who are “investment professionals” falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “**FPO**”) and the directors, officers and employees (“**A**”) of any such firms and persons (“**B**”), where this Circular is provided to A in that capacity and where A’s responsibilities, when acting in that capacity, involve A in the carrying on by B of controlled activities (as defined in the FPO);
 - (c) high net worth companies, unincorporated associations and other bodies falling within the categories described in Article 49 of the FPO and the directors, officers and employees (“**A**”) of any such high net worth companies,

unincorporated associations and other bodies (“**B**”), where this Circular is provided to A in that capacity and where A’s responsibilities, when acting in that capacity, involve A in B’s engaging in investment activity;

- (d) certified sophisticated investors falling within Article 50 of the FPO; or
 - (e) persons to whom it may otherwise lawfully be communicated,
- (the persons described in (i) or (ii) as relevant, together “**Relevant Persons**”).

This Circular is confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the UK. Any person in the UK that is not a Relevant Person should not act or rely on this Circular. The provision of this Circular to, or reliance on it, by any person who is not a Relevant Person is unauthorised and may contravene FSMA, and any such person should return it immediately. Any Relevant Person seeking to rely on this Circular is warned that buying Units may expose the Relevant Person to a significant risk of losing all the property the Relevant Person invested. If a Relevant Person is in doubt about the Units the Relevant Person should consult a person authorised under FSMA who specialises in advising on such investments. The Manager is not authorised to carry on investment business in the UK and prospective investors are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to any investment in the ESR-REIT and that compensation will not be available under the UK Financial Services Compensation Scheme.

The Units are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client (as defined in point (7) of Article 2(1) of the UK Markets in Financial Instruments Regulation (defined below)) who is not a professional client; or (b) a customer, where that customer would not qualify as a professional client. For these purposes the term “customer” means a customer within the meaning of the provisions of FSMA and any rules or regulations made under FSMA which were relied on immediately before 23:00 (GMT) on 31 December 2020 to implement Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution. Consequently, no key information document required by the UK PRIIPS Regulation (defined below) for offering or selling the Units or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling Units or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

This Circular does not constitute an offer document or an offer of transferable securities in the UK to which section 85 of FSMA or article 3(1) of the UK Prospectus Regulation (defined below) applies and should not be considered as a recommendation that any person should subscribe for or purchase any Units. The Units will not be offered or sold to any person in the UK except in circumstances which have not resulted and will not result

in an offer to the public in contravention of section 85(1) of FSMA or article 3(1) of the UK Prospectus Regulation. For these purposes: (a) the phrase “an offer to the public” in relation to any offer of Units in the UK means the communication to persons in any form and by any means, presenting sufficient information on the terms of any offer and any Units to be offered, so as to enable an investor to decide to purchase any Units; (b) the phrase “UK Prospectus Regulation” means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC; (c) the phrase “UK Markets in Financial Instruments Regulation” means Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and (d) the phrase “UK PRIIPS Regulation” means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, provided that references to the “UK Prospectus Regulation”, the “UK Markets in Financial Instruments Regulation” and the “UK PRIIPS Regulation” shall be construed as a reference to that legislation as it forms part of domestic law pursuant to section 3 of the European Union (Withdrawal) Act 2018 (as amended), and shall also be construed in accordance with any regulations made under that Act in relation to that legislation, in each case from the time when that legislation so forms part of domestic law, where the phrase “domestic law” has the meaning given in that Act.

For the purposes of marketing (as defined in the UK Alternative Investment Fund Managers Regulations 2013 (as amended) (the “**UK AIFM Regulations**”)) the Units to investors domiciled in or with a registered office in the UK, the Manager (as an AIFM for the purposes of the UK AIFM Regulations) intends to rely on the UK’s national private placement regime pursuant to Article 59 of the UK AIFM Regulations.

Any Relevant Persons who wish to invest in the Units must qualify as a “professional investor” under the UK AIFM Regulations. Units are not offered to investors in the UK who are not professional investors. Neither ESR-REIT nor the Manager is subject to supervision by the competent authorities of the UK.

GLOSSARY

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“%”	:	Per centum or percentage
“16 Tai Seng Street”	:	16 Tai Seng Street, Singapore 534138
“48 Pandan Road”	:	48 Pandan Road, Singapore 609289
“65-75 Strelecki Avenue”	:	65-75 Strelecki Avenue, Sunshine West, Victoria
“7000 AMK”	:	7000 Ang Mo Kio Avenue 5, Singapore 569877
“A\$”	:	Australian dollars, being the lawful currency of Australia
“Acquisitions”	:	The Singapore Acquisition and the Australia Acquisition
“Allotted Preferential Offering Units”	:	The Sponsor Relevant Entities’ total provisional allotments of the Preferential Offering Units
“ARE”	:	The application for rights entitlement acceptance form for New Units provisionally allotted to entitled Unitholders under the Preferential Offering and application form for excess New Units
“Asset Enhancement Initiatives”	:	The asset enhancement initiatives of the properties located at 16 Tai Seng Street and 7000 AMK
“Audit, Risk Management and Compliance Committee”	:	The Audit, Risk Management and Compliance Committee of the Manager
“Australia Acquisition”	:	ESR-REIT’s acquisition of 10.0% of the total issued units of the Fund, which as at 6 May 2021, indirectly holds 33 Income-Producing Properties (including 65-75 Strelecki Avenue which was acquired by the Fund on 19 April 2021), two Land Parcels and two Development Properties and has total assets of A\$1.2 billion as at 31 March 2021 (excludes 65-75 Strelecki Avenue which was acquired by the Fund on 19 April 2021), as announced on 6 May 2021
“Australia Purchase Consideration”	:	The purchase consideration of the Australia Acquisition of S\$62.4 million

“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Unitholders dated 2 July 2021
“Code”	:	The Singapore Code on Take-overs and Mergers
“Concert Party Group”	:	The Sponsor Relevant Entities and parties acting in concert or presumed to be acting in concert with them in relation to ESR-REIT
“Confirmation Email”	:	The email which authenticated Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who have pre-registered for the live audio-visual webcast or live audio-only stream of the EGM proceedings will receive, which will contain unique user credentials and instructions on how to access the live audio-visual webcast / live audio-only stream of the EGM proceedings and submit questions during the EGM
“CPF”	:	Central Provident Fund
“CPF/SRS investors”	:	Investors who hold Units through the CPF or the SRS
“Debt Repayment”	:	The repayment of existing indebtedness of ESR-REIT to reduce the overall debt used to finance the Australia Acquisition
“Development Properties”	:	Properties which are currently under development held by the Fund
“Directors”	:	The directors of the Manager
“Divestment”	:	The divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East for approximately S\$53.0 million, as announced on 28 April 2021
“DPU”	:	Distribution per Unit
“EGM”	:	The extraordinary general meeting of the Unitholders, notice of which is given on pages B-1 to B-3 of this Circular
“Equity Fund Raising”	:	The Private Placement and the Preferential Offering
“ESIC”	:	e-Shang Infinity Cayman Limited
“ESJC”	:	e-Shang Jupiter Cayman Limited
“ESRPM”	:	ESR Property Management (S) Pte. Ltd.

“Estimated ULP”	:	The estimated upfront land premium payable to JTC for the balance of 15 years for the first 30-year JTC lease term of S\$7.6 million
“Excess Preferential Offering Units”	:	The additional Preferential Offering Units, above the Sponsor Relevant Entities’ Allotted Preferential Offering Units, which are not taken up by other Unitholders and which the Sponsor Relevant Entities will make excess application, subscribe and pay in full for
“Existing Units”	:	The Units in issue as at the Latest Practicable Date
“first 30-year JTC lease term”	:	The Property’s 30-year lease term from JTC commencing on 1 May 2006 and an option to renew for a further term of 14 years from 1 May 2036
“Fund”	:	ESR Australia Logistics Partnership
“FY2020”	:	The financial year ended 31 December 2020
“GFA”	:	Gross floor area
“IFA”	:	KPMG Corporate Finance Pte Ltd
“IFA Letter”	:	The letter from the IFA to the Independent Directors, the Audit, Risk Management and Compliance Committee and the Trustee containing its advice as set out in Appendix A of this Circular
“Income-Producing Properties”	:	Income-producing properties held by the Fund
“Independent Directors”	:	The independent Directors of the Manager
“Independent Unitholders”	:	Unitholders other than (i) the Concert Party Group and (ii) parties not independent of the Concert Party Group
“JTC”	:	JTC Corporation
“Land Parcels”	:	Land parcels for future development held by the Fund
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 29 June 2021
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“LREPL”	:	Longemont Real Estate Pte. Ltd.
“LWGI”	:	Leading Wealth Global Inc

“Manager”	:	ESR Funds Management (S) Limited, in its capacity as manager of ESR-REIT
“Mandatory Offer”	:	The mandatory offer for the remaining Units not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code
“NAV”	:	Net asset value
“New Units”	:	The new Units issued or proposed to be issued under the Equity Fund Raising
“NPI”	:	Net property income
“Ordinary Resolution”	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
“Preferential Offering”	:	A non-renounceable preferential offering of New Units to the existing Unitholders on a <i>pro rata</i> basis
“Preferential Offering Issue Price”	:	The issue price of each of the Preferential Offering Units
“Preferential Offering Units”	:	The New Units to be issued pursuant to the Preferential Offering
“Private Placement”	:	The private placement to institutional and other investors under which 268,818,000 New Units were issued at the Private Placement Issue Price of S\$0.372 per New Unit, to raise gross proceeds of approximately S\$100.0 million, as announced on 6 May 2021 and 7 May 2021
“Private Placement Issue Price”	:	The issue price of each of the New Units pursuant to the Private Placement
“Property”	:	A modern ramp-up logistics asset located at 46A Tanjong Penjuru, Singapore 609040 (together with the plant and mechanical and electrical equipment)
“Relevant Intermediary Unitholders”	:	Persons who hold Units through a Relevant Intermediary (as defined in the trust deed constituting ESR-REIT (as amended))
“Relevant Period”	:	The period (i) between the date of the first announcement of the Equity Fund Raising and the date on which the Independent Unitholders’ approval is obtained for the proposed Whitewash Resolution and (ii) in the six months

prior to the date of the first announcement of the Equity Fund Raising but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to such proposal

“S\$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“Sale Units”	:	10.0% of the total issued units in the Fund which was acquired pursuant to the Australia Acquisition
“Securities Act”	:	U.S. Securities Act of 1933, as amended
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SHCL”	:	Skyline Horizon Consortium Ltd
“SIC”	:	Securities Industry Council
“SIC Waiver”	:	The waiver granted by the SIC on 28 May 2021
“Singapore Acquisition”	:	The acquisition of the Property
“Singapore Purchase Consideration”	:	The purchase consideration of the Property of S\$112.0 million
“Sole Financial Adviser and Coordinator”	:	RHB Bank Berhad, through its Singapore branch
“Sponsor”	:	ESR Cayman Limited
“Sponsor Group”	:	The Sponsor, ESIC, ESR Funds Management (S) Limited and ESRPM
“Sponsor Irrevocable Undertaking”	:	The irrevocable undertaking provided by the Sponsor to the Manager
“Sponsor Relevant Entities”	:	ESIC or, as the case may be, its nominee(s) or custodian(s)
“sq ft”	:	Square feet
“SRS”	:	Supplementary Retirement Scheme
“SSGCL”	:	Shanghai Summit (Group) Co., Ltd
“SSPL”	:	Shanghai Summit Pte Ltd
“Substantial Unitholder”	:	A person with an interest in Units constituting not less than 5.0% of all Existing Units

“Transactions”	: The Debt Repayment, the Australia Acquisition, the Singapore Acquisition and the Asset Enhancement Initiatives
“Trustee”	: RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT
“Trust Deed”	: The trust deed constituting ESR-REIT dated 31 March 2006 (as amended)
“UK”	: United Kingdom
“Unit”	: A unit representing an undivided interest in ESR-REIT
“United States” or “U.S.”	: United States of America
“Unitholders”	: Unitholders of ESR-REIT
“Unitholding”	: In relation to a Unitholder, the unitholding of that Unitholder in ESR-REIT
“Unit Registrar”	: Boardroom Corporate & Advisory Services Pte. Ltd.
“WFHI”	: Wealthy Fountain Holdings Inc
“Whitewash Resolution”	: The proposed whitewash resolution to be approved by the Independent Unitholders, by way of a poll, to waive their rights to receive a general offer for their Units from the Concert Party Group

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

INDEPENDENT FINANCIAL ADVISER'S LETTER



The Independent Directors
Audit, Risk Management and Compliance
Committee
ESR Funds Management (S) Limited
(as Manager of ESR-REIT)
8 Changi Business Park Avenue 1
#05-51 ESR BizPark @ Changi (South Tower)
Singapore 486018

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

2 July 2021

Dear Sirs

**INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE TERMS OF THE
PREFERENTIAL OFFERING, BEING THE SUBJECT OF THE WHITEWASH
RESOLUTION, AND 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 2 July 2021 (the “**Circular**”).*

1. INTRODUCTION

On 6 May 2021, the 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 between 195,313,000 and 201,613,000 New Units (the “**Private Placement**”, and the New Units, the “**Private Placement New Units**”) to raise gross proceeds of not less than approximately S\$75.0 million, subject to an upsize option (the “**Upsize Option**”) to issue up to 67,205,000 additional Private Placement New Units 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**”, and the New Units, the “**Preferential Offering New Units**”) to the existing ESR-REIT Unitholders on a pro rata basis to raise gross proceeds of not more than approximately S\$50.0 million.,

(together, the “**Equity Fund Raising**” or “**EFR**”).

As announced by the Manager on 7 May 2021, 268,818,000 New Units were allocated under the Private Placement at an issue price of S\$0.372 per New Unit (the “**Private Placement Issue Price**”), to raise gross proceeds of approximately S\$100.0 million.

Pursuant to the Equity Fund Raising, the Manager has no intention of raising aggregate gross proceeds 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 continued support, willingness to provide certainty of funding and to save underwriting fees for ESR-REIT and the Preferential Offering, ESR Cayman Limited (the “**Sponsor**”), which owns 361,689,293 Units representing approximately 9.3% of the total number of Units (as defined in the Circular) in issue as at 29 June 2021 (the “**Existing Units**”) through its subsidiaries, has on 11 June 2021 provided to the Manager an irrevocable undertaking (the “**Sponsor Irrevocable Undertaking**”) that, among other things:

- (a) it will procure that e-Shang Infinity Cayman Limited (a Substantial Unitholder and a wholly-owned subsidiary of the Sponsor) (“**ESIC**”) or, as the case may be, its nominee(s) or custodian(s) (collectively, the “**Sponsor Relevant Entities**”) subscribe and pay in full for the Sponsor Relevant Entities’ total provisional allotments of the Preferential Offering Units (the “**Allotted Preferential Offering Units**”); and
- (b) it will, in addition to paragraph (a) above, procure that the Sponsor Relevant Entities make excess application, subscribe and pay in full for, additional Preferential Offering Units, above the Sponsor Relevant Entities’ Allotted Preferential Offering Units, which are not taken up by other Unitholders (the “**Excess Preferential Offering Units**”) (with the Sponsor Relevant Entities ranking last in priority), provided that the total number of Preferential Offering Units applied for by the Sponsor Relevant Entities will not exceed a maximum subscription amount under the Preferential Offering of S\$50.0 million.

An application was made to the Securities Industry Council of Singapore (the “**SIC**”) on 30 April 2021 for the waiver of the obligation of the Concert Party Group (as defined in the Circular) 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 subscription by the Sponsor Relevant



Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

On 28 May 2021, the SIC granted a waiver to the Sponsor Group of the obligation of the Concert Party Group to make a Mandatory Offer under Rule 14 of the Take-over Code (the "**SIC Waiver**") subject to, *inter alia*, the satisfaction of the conditions specified in the SIC Waiver (as set out in paragraph 4.1 of the Circular) including the Independent Unitholders approving the Whitewash Resolution.

Following from the SIC Waiver, the Manager is seeking approval from Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Concert Party Group in the event that they incur an obligation to make a Mandatory Offer as a result of the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser ("**Independent Financial Adviser**" or "**IFA**") to advise the Independent Directors, the Audit, Risk Management and Compliance Committee of the Manager (the "**ARCC**") and the Trustee of ESR-REIT (the "**Trustee**") as to whether the terms of the Preferential Offering, being the subject of the Whitewash Resolution, and 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 terms of the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution and our advice to the Independent Directors, the ARCC and the Trustee.



2. TERMS OF REFERENCE

Our responsibility is to provide an opinion in respect of the terms of the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution (the “**Opinion**”).

Our Opinion is delivered as required under Rule 14 of the Take-over Code as well as for the use and benefit of the addressees of this letter (as appropriate) (the “**Addressees**”) for their deliberations on the terms of the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution, before arriving at a decision on the merits or demerits thereof, and in making any recommendations by the Independent Directors and/or the ARCC. We were not involved in any aspect of the negotiations pertaining to the terms of the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Independent Directors and/or the ARCC to proceed with these. The decisions of and recommendations made by the Independent Directors and/or the ARCC shall remain their sole responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions 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 terms of the Preferential Offering, being the subject of the Whitewash Resolution, and 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 Independent Directors and/or the ARCC.

It is also not within our terms of reference to compare the relative merits of the terms of the Preferential Offering, being the subject of the Whitewash Resolution, and 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 Independent Directors and/or the ARCC, 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 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 Manager and the professional advisers appointed by the Manager and the Trustee, 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 used our judgment in assessing 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 and the terms of the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Manager and the Addressees' professional advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular are fair and accurate in all material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular, information and facts disclosed to us or our Opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors have collectively and individually 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 29 June 2021 (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 Unitholder. As different Unitholders would have different investment objectives and profiles, any 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 Addressees (as appropriate) have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). 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



ESR-REIT
Independent Financial Advice
2 July 2021

than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

Our Opinion should be considered in the context of the entirety of this letter and the Circular.



3. EVALUATION

In arriving at our Opinion in relation to the terms of the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution we have taken into account the following key factors:

3.1 Rationale

The following rationale has been extracted from section 4.3 of the Circular:

“The proposed Whitewash Resolution is to enable the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

The Manager is of the view that the application by the Sponsor Relevant Entities for the Preferential Offering Units pursuant to the Sponsor Irrevocable Undertaking demonstrates 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 aligns the interests of the Sponsor with those of other Unitholders, thereby enhancing the chances of a successful Preferential Offering.”

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

The Preferential Offering 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 Preferential Offering New Units.

3.3 Pricing of the Preferential Offering New Units

The 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 Manager and the Sole Financial Adviser and Coordinator may consider relevant.

Whilst at the discretion of the 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

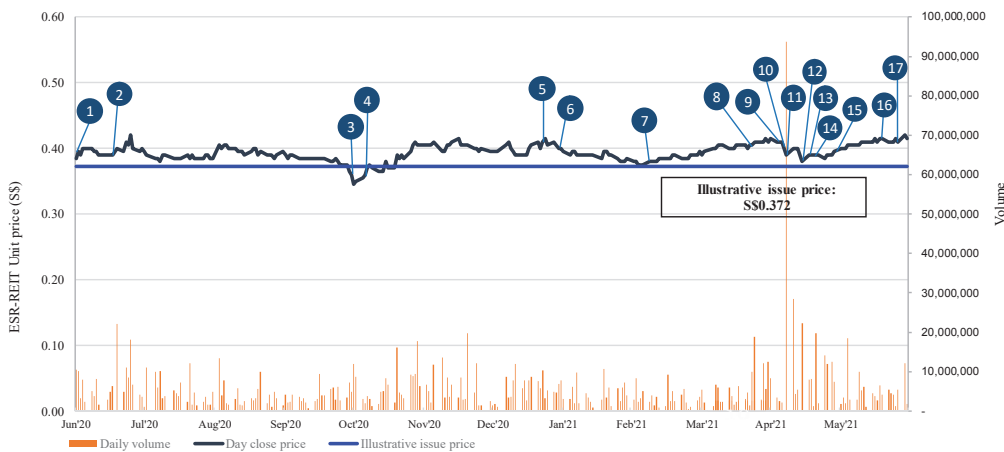


is not available for a full market day) for the preceding market day up to the time the Preferential Offering is announced.

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 the Latest Practicable Date, and have compared this to the illustrative issue price of S\$0.372 per Preferential Offering New Unit.

Exhibit 1: Price and trading volume performance of ESR-REIT Units relative to illustrative issue price of S\$0.372 per Preferential Offering New Unit



Source: Capital IQ

Notes

- (1) ESR-REIT Secures 2 New Tenants At 8 Tuas South Lane, Further Reducing Exposure To Hyflux Membrane
- (2) Entry Into S\$460 Million Unsecured Loan Facility, ESR-REIT And Sabana REIT Announce Proposed Merger, Financial Statements And Related Announcement - Half Yearly Results
- (3) 3Q2020 Interim Update
- (4) Proposed Merger Of ESR-REIT And Sabana Shari'ah Compliant Industrial Real Estate Investment Trust By Way Of A Trust Scheme Of Arrangement - Status Update
- (5) Financial Statements And Related Announcement - Full Yearly Results
- (6) ESR-REIT Signs Commitment Letter For New Loan Facilities To Refinance All Loans Due In FY2021 Ahead Of Expiries
- (7) Entry Into S\$320 Million Unsecured Loan Facility
- (8) 1Q2021 Interim Business Update, Use Of Proceeds From Equity Fund Raising
- (9) 5 May 2021, determined as the latest undisturbed trading date, prior to the announcement of the Proposed Private Placement on 6 May 2021 ("**Latest Undisturbed Trading Date**").



- (10) Entry Into A\$68.5 Million Unsecured Loan Facility, Launch Of Equity Fund Raising To Raise Gross Proceeds Of Up To Approximately S\$150.0 Million, Acquisition Of Stake In 37 Australian Assets Via 10.0% Of The Units In ESR Australia Logistics Partnership, Proposed Acquisition Of 46A Tanjong Penjuru
- (11) Results Of The Private Placement And Pricing Of New Units Under The Private Placement
- (12) ESR Demonstrates Strong Continued Support And Alignment Of Interest As ESR-REIT Completes Maiden Overseas Acquisition
- (13) Receipt Of In-Principle Approval For Listing Of 268,818,000 New Units Pursuant To The Private Placement
- (14) Issue Of 268,818,000 New Units Pursuant To The Private Placement, Details Of Advanced Distribution In Connection With The Private Placement
- (15) Payment Of Management Fees By Way Of Issue Of New Units In ESR-REIT
- (16) Receipt Of In-Principle Approval For Listing Of Up To 143.0 Million New Units Pursuant To The Preferential Offering
- (17) Issue Of New Units Pursuant To The ESR-REIT Distribution Reinvestment Plan

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\$0.372 per Preferential Offering New Unit.

Exhibit 2: VWAP of ESR-REIT Units for the relevant reference periods relative to the illustrative issue price of S\$0.372 per Preferential Offering New Unit

Illustrative issue price: S\$0.372							
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⁾
<i>For the periods up to and including the Latest Undisturbed Trading Date:</i>							
As at the Latest Undisturbed Trading Date	0.410	(9.3%)	0.405	0.410	2.12	2.12	0.1%
One-month prior	0.407	(8.6%)	0.395	0.420	124.59	5.66	0.2%
Three-months prior	0.396	(6.1%)	0.370	0.420	268.43	4.40	0.2%
Six-months prior	0.397	(6.3%)	0.360	0.420	654.76	5.28	0.2%
12-months prior	0.393	(5.3%)	0.340	0.450	1759.51	7.04	0.3%
<i>For the periods up to and including the Latest Practicable Date:</i>							
As at the Latest Practicable Date	0.415	(10.4%)	0.415	0.420	1.87	1.87	0.1%
One-month prior	0.410	(9.3%)	0.395	0.415	109.66	4.98	0.2%
Three-months prior	0.399	(6.8%)	0.370	0.420	485.75	7.83	0.3%
Six-months prior	0.397	(6.3%)	0.370	0.420	770.71	6.22	0.3%
12-months prior	0.395	(5.8%)	0.340	0.425	1444.02	5.80	0.2%

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\$0.393 to S\$0.410, and the trading liquidity of ESR-REIT as measured by the ADTV/free float of the respective reference periods ranged from 0.1% to 0.3%; and
- (ii) The discount of the illustrative issue price to the VWAP of ESR-REIT Units ranged from 5.3% to 9.3% 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\$0.395 to S\$0.415, and the trading liquidity of ESR-REIT as measured by the ADTV/free float of the respective reference periods ranged from 0.1% to 0.3%; and
- (ii) The discount of the illustrative issue price to the VWAP of ESR-REIT Units ranged from 5.8% to 10.4% 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\$0.372 per Preferential Offering New Unit, we have reviewed the salient statistics of completed non-renounceable rights issues undertaken by entities listed on the SGX-ST announced from April 2018 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 (%)
Frasers Logistics & Industrial Trust	23-Apr-18	1 for 10	S\$0.9670	S\$1.0420	S\$1.0375	(6.80)



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 (%)
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)
Sapphire Corporation Limited	30-Dec-18	1 for 4	S\$0.1280	S\$0.1440	S\$0.1408	(9.09)
ESR-REIT	17-Jun-19	29 for 1000	S\$0.5150	S\$0.5650	S\$0.5608	(8.17)
Keppel DC REIT	16-Sep-19	105 for 1000	S\$1.7100	S\$1.7882	S\$1.7777	(3.81)
Manulife US Real Estate Investment Trust	19-Sep-19	52 for 1000	USD 0.8600	USD 0.9089	USD 0.9047	(4.94)
Mapletree Commercial Trust	16-Oct-19	71 for 1000	S\$2.2400	S\$2.3484	S\$2.3375	(4.17)
Frasers Centrepoint Trust	28-Sep-20	290 for 1000	S\$2.3400	S\$2.5171	S\$2.4588	(4.83)
Mapletree Logistics Trust	20-Oct-20	19 for 1000	S\$1.9900	S\$2.0781	S\$2.0735	(4.03)
Ascendas Real Estate Investment Trust	10-Nov-20	37 for 1000	S\$2.9600	S\$3.2096	S\$3.1892	(7.19)
CapitalLand Retail China Trust	17-Nov-20	56 for 1000	S\$1.1700	S\$1.2800	S\$1.2634	(7.39)
Addvalue Technologies Ltd	29-Nov-20	1 for 3	S\$0.0225	S\$0.0240	S\$0.0232	(2.85)
ARA LOGOS Logistics Trust	23-Dec-20	77 for 1000	S\$0.5525	S\$0.6290	S\$0.6235	(11.39)
ValueMax Group Limited	9-Apr-21	1 for 5	S\$0.3600	S\$0.3920	S\$0.3865	(6.86)
Min discount						(2.85)
Max discount						(15.70)
Median						(6.68)
Mean						(6.81)
ESR-REIT			Illustrative issue price	ESR-REIT Unit price	Theoretical ex-rights price (TERP)	Premium / (discount) of illustrative issue price to TERP (%)
<i>Based on Latest Undisturbed Trading Date</i>			S\$0.372	S\$0.410¹	S\$0.406²	(8.41)
<i>Based on Latest Practicable Date</i>			S\$0.372	S\$0.415³	S\$0.414⁴	(10.05)

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 TERP based on Latest Undisturbed Trading Date:

- (i) The discount of the illustrative price of S\$0.372 to the ESR-REIT TERP of approximately 8.41% is within the range of the completed non-renounceable rights issues.

For ESR-REIT TERP based on Latest Practicable Date:

- (i) The discount of the illustrative price of S\$0.372 to the ESR-REIT TERP of approximately 10.05% is within 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 Unitholders of ESR-REIT if all Independent Unitholders of ESR-REIT subscribe for their full entitlements of Preferential Offering New Units under the Preferential Offering. A dilution effect will occur for the Independent Unitholders of ESR-REIT who do not subscribe for their full entitlements of the Preferential Offering New Units under the Preferential Offering.

The details of the illustrative potential dilution arising from the Preferential Offering is found in section 4 of the Circular and is extracted beneath:



	<i>As at the Latest Practicable Date</i>	<i>After the Preferential Offering⁽¹⁾</i>
<i>Issued Units</i>	3,877,236,558	4,011,645,160
<i>Number of Units held by the Sponsor Relevant Entities</i>	320,954,107	455,362,709
<i>Number of Units held by the Concert Party Group (including the Sponsor Relevant Entities)</i>	1,229,196,529	1,363,605,131
<i>Number of Units held by Unitholders, other than the Concert Party Group</i>	2,648,040,029	2,648,040,029
<i>% of issued Units held by the Sponsor Relevant Entities</i>	8.3%	11.4%
<i>% of issued Units held by the Concert Party Group (including the Sponsor Relevant Entities)</i>	31.7%	34.0%
<i>% of issued Units held by Unitholders, other than the Concert Party Group</i>	68.3%	66.0%

Note:

(1) Assuming the Sponsor Relevant Entities accept their Allotted Preferential Offering Units in full and are allocated in full for their application for the Excess Preferential Offering Units and Unitholders other than the Sponsor Relevant Entities do not participate in the Preferential Offering

In the event the Whitewash Resolution is passed by a majority of the Independent Unitholders of ESR-REIT, the Concert Party Group may potentially increase their aggregate unitholding in ESR-REIT to 34.0%. Independent Unitholders of ESR-REIT should note that the Concert Party 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 Manager will be relying on the general mandate given by the ESR-REIT Unitholders on 22 April 2021 for the issue of the Preferential Offering New Units. Therefore, the Manager does not intend to seek the specific approval of ESR-REIT Unitholders for the issue of the Preferential Offering New Units.

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.

3.5.3 Use of Proceeds

On the basis that the Manager will raise gross proceeds of approximately S\$50.0 million from the Preferential Offering, the Manager intends to utilise the gross proceeds of the Preferential Offering in the following manner:

- (i) approximately S\$19.0 million (which is equivalent to approximately 38.0% of the gross proceeds of the Preferential Offering) to partially finance the Asset Enhancement Initiatives; and
- (ii) approximately S\$31.0 million (which is equivalent to approximately 62.0% of the gross proceeds of the Preferential Offering) for the Debt Repayment.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Preferential Offering at its absolute discretion for other purposes, including without limitation, to fund capital expenditures.

3.5.4 Abstention from Voting

Pursuant to the SIC Waiver, the Concert Party Group and parties not independent of them are required to abstain from voting on the Whitewash Resolution.



4. OUR OPINION

In arriving at our opinion in respect of the Whitewash Resolution, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) rationale of the Whitewash Resolution;
- (b) Preferential Offering New Units offered on a pro rata and non-renounceable basis;
- (c) pricing of the Preferential Offering New Units;
- (d) potential dilution arising from the Preferential Offering; and
- (e) other relevant considerations.

Having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that:

- (i) the terms of the Preferential Offering, being the subject of the proposed Whitewash Resolution; and
- (ii) the Whitewash Resolution,

are fair and reasonable.

Accordingly, we advise the Independent Directors and the Audit, Risk Management and Compliance Committee to recommend that Independent Unitholders of ESR-REIT vote in favour of the Whitewash Resolution.

This Opinion is prepared and delivered pursuant to Rule 14 of the Take-over Code, as well as addressed to the Independent Directors, the Audit, Risk Management and Compliance Committee and the Trustee for their consideration.

While a copy of this IFA Letter (Whitewash) may be reproduced in the Circular, no other person may reproduce, disseminate or quote this IFA Letter (Whitewash) (or any part thereof) for any purpose (other than the intended purpose in relation to the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution) at any time and in any manner without our prior written consent in each specific case.

For the avoidance of doubt, nothing in this letter prevents ESR-REIT, the Manager, the Directors, the Trustee or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Preferential Offering, being the subject of the Whitewash Resolution, and the Whitewash Resolution.

The recommendations to be made by the Independent Directors and/or the Audit, Risk Management and Compliance Committee to the Unitholders shall remain their responsibility.



ESR-REIT
Independent Financial Advice
2 July 2021

A copy of this letter 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

ESR-REIT

(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 (“**Units**”, and holders of Units, the “**Unitholders**”) will be held by way of electronic means on 26 July 2021 (Monday) at 10.00 a.m. to consider and, if thought fit, to pass, with or without any modifications, the following resolution.

Words and expressions used in this Notice of EGM shall bear the meanings ascribed to them in the Circular to Unitholders dated 2 July 2021 (the “Circular”), unless otherwise stated.

RESOLUTION 1 (ORDINARY RESOLUTION): THE PROPOSED WHITEWASH RESOLUTION

That subject to the conditions in the SIC Waiver from the Securities Industry Council dated 28 May 2021 being fulfilled, Unitholders, other than the Concert Party Group and parties which are not independent of the Concert Party Group, hereby (on a poll taken) waive their rights to receive a mandatory offer from the Concert Party Group for all the remaining issued Units not already owned or controlled by the Concert Party Group, in the event that they incur a mandatory bid obligation pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers as a result of the subscription by the Sponsor Relevant Entities of the Preferential Offering Units in accordance with the terms of the Sponsor Irrevocable Undertaking.

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)

Adrian Chui

Chief Executive Officer and Executive Director

Singapore

2 July 2021

Notes:

1. In view of the heightened safe management measures imposed by the Singapore Government due to the current COVID-19 situation, ESR-REIT will be conducting the EGM only by way of electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. In addition to the printed copies of this Notice and the Proxy Form which will be sent to Unitholders, this Notice, the Proxy Form as well as the Circular will also be made available by electronic means via publication on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, and will also be made available on the website of Singapore Exchange Securities Trading Limited (the "SGX-ST") at <https://www.sgx.com/securities/company-announcements>.
2. **Conduct of the EGM:**
The proceedings of the EGM will be conducted only by way of electronic means via a live webcast comprising both video (audio-visual) and audio-only feeds. Please pre-register if you wish to follow the proceedings of the EGM.
3. **Online Pre-Registration required for Unitholders who wish to follow the proceedings of the EGM:**
Unitholders and investors who hold Units through the Central Provident Fund ("CPF") or the Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to follow the proceedings of the EGM through the live audio-visual webcast/live audio-only stream must pre-register online at <http://www.smartagm.sg/esrreitegm2021> (the "Pre-registration Page") which is also accessible by scanning the QR code below by **23 July 2021 (Friday), 10.00 a.m.** (being 72 hours before the time appointed for the holding of the EGM) for verification purposes.



Persons who hold Units through a Relevant Intermediary (as defined in the trust deed constituting ESR-REIT (as amended)) ("**Relevant Intermediary Unitholders**") who wish to follow the proceedings of the EGM should request their Relevant Intermediary to make arrangements to pre-register on their behalf. The Relevant Intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/passport number) to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at SRS.TeamE@boardroomlimited.com no later than 23 July 2021 (Friday), 10.00 a.m.

Following successful verification, a confirmation email which contains unique user credentials and instructions on how to access the live audio-visual webcast/live audio-only stream of the EGM proceedings and submit questions during the EGM will be sent to you before the EGM (the "**Confirmation Email**"). Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders **who do not receive the Confirmation Email by 10.00 a.m. on 25 July 2021 (Sunday)**, but have pre-registered for the live audio-visual webcast/live audio-only stream of the EGM proceedings by the deadline of 10.00 a.m. on 23 July 2021 (Friday), **should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or at SRS.TeamE@boardroomlimited.com immediately.**

4. **Submission of Questions:**

All Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders will be able to submit questions in advance of the EGM (see paragraph below for further details) and/or ask questions "live" via the live audio-visual webcast/live audio-only stream of the EGM proceedings.

All Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders can and are strongly encouraged to submit questions relating to the business of the EGM in advance of the EGM up till **23 July 2021 (Friday), 10.00 a.m.** (being 72 hours before the time appointed for the holding of the EGM).

- a. Unitholders and CPF/SRS investors may submit their questions on the Pre-registration Page or via electronic mail to ir@esr-reit.com.sg or by post addressed to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.
- b. Relevant Intermediary Unitholders may submit questions through their Relevant Intermediary, who in turn should submit a consolidated list of questions to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at SRS.TeamE@boardroomlimited.com.

Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who submit questions in advance of the EGM should provide the following information to us (or, in the case of Relevant Intermediary Unitholders, their Relevant Intermediary) for our verification purposes: (a) your full name; (b) your address, contact number, and email; and (c) the manner in which you hold Units (if you hold Units directly, please provide your CDP account number; otherwise, please state if you hold your Units through CPF or SRS, or are a Relevant Intermediary Unitholder).

In view of the current COVID-19 situation and the related safe distancing measures which may affect postage timings and make it difficult for Unitholders to submit questions by post, Unitholders who wish to submit questions in advance of the EGM are strongly encouraged to submit questions electronically on the Pre-registration Page or by email. ESR Funds Management (S) Limited, the manager of ESR-REIT (the “**Manager**”), will endeavour to address all substantial and relevant questions either prior to the EGM (via an announcement on SGXNET and ESR-REIT’s website at <https://esr-reit.listedcompany.com/meetings.html>) or during the EGM.

The Manager will publish the minutes of the EGM on ESR-REIT’s website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

5. Voting Solely via Appointing Chairman as Proxy (Submit a Proxy Form):

Unitholders will only be able to vote at the EGM by appointing the Chairman of the EGM as proxy to vote on their behalf. Duly completed Proxy Forms must be deposited with ESR-REIT:

- a. via post to the office of the Unit Registrar of ESR-REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (by enclosing a clear, completed and signed Proxy Form); or
- b. via electronic mail to SRS.TeamE@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF).

The Proxy Forms must be received by ESR-REIT by **23 July 2021 (Friday), 10.00 a.m.** (being 72 hours before the time appointed for the holding of the EGM). In the Proxy Form, a Unitholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolution to be tabled at the EGM. All valid votes cast via proxy on the resolution will be counted. If no specific direction as to voting is given, the Chairman of the EGM will vote or abstain from voting at his/her discretion.

In view of the current COVID-19 situation and the related safe distancing measures which may affect postage timings and make it difficult for Unitholders to submit Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically by email.

6. Voting by Relevant Intermediary Unitholders and CPF/SRS investors:

Relevant Intermediary Unitholders who wish to vote should **not** make use of the Proxy Form and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators as soon as possible and at least **seven (7) working days** before the EGM (i.e. by **5.00 p.m. on 13 July 2021 (Tuesday)**), to ensure that their votes are submitted.

7. No Despatch of Printed Copies of the Circular to Unitholders:

Printed copies of the Circular will **not** be despatched to Unitholders, unless otherwise requested. For Unitholders’ convenience, printed copies of the Letter to Unitholders, the Notice of EGM, the Proxy Form and the Request Form for Unitholders to request for a printed copy of the Circular (the “**Request Form**”) have been despatched to Unitholders.

Unitholders who wish to request for printed copies of the Circular will need to complete and return the Request Form, by sending it back by post to the address stated overleaf on the Request Form or by emailing it to SRS.TeamE@boardroomlimited.com, to the Manager by **16 July 2021 (Friday)**.

In view of the rapidly evolving COVID-19 situation, Unitholders should note that the manner of conduct of the EGM may be subject to further changes at short notice. Unitholders are advised to check ESR-REIT’s website at <https://esr-reit.listedcompany.com/meetings.html> and SGXNET regularly for updates. Alternatively, Unitholders may sign up for email alerts here (https://esr-reit.listedcompany.com/email_alerts.html) to receive the latest updates.

Important Notice:

The value of Units and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations of the Manager, RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (the “**Trustee**”), or any of their respective related corporations and affiliates (individually and collectively, the “**Affiliates**”).

An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the Manager, the Trustee nor any of 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 Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that investors may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Personal data privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder’s personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) 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 Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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ESR-REIT

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

PROXY FORM

Extraordinary General Meeting (“EGM”)

IMPORTANT:

1. **Due to the current COVID-19 situation in Singapore, a unitholder of ESR-REIT (“Unitholder”) will not be able to attend the EGM in person. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM.**
2. For investors holding units of ESR-REIT (“Units”) through a relevant intermediary (as defined in the trust deed constituting ESR-REIT (as amended)) (“**Relevant Intermediary Unitholders**”) and investors who hold Units through the Central Provident Fund or the Supplementary Retirement Scheme (“**CPF/SRS investors**”), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Relevant Intermediary Unitholders should approach their relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 July 2021, being 7 working days before the date of the EGM to ensure that their votes are submitted.
3. The EGM is being convened, and will be held, by way of electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
4. In addition to the printed copy of this Proxy Form which will be sent to Unitholders, this Proxy Form is available on ESR-REIT’s website at <https://esr-reit.listedcompany.com/meetings.html> and on the SGX-ST’s website at <https://www.sgx.com/securities/company-announcements>.
5. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 2 July 2021.

I/We, _____ (Name(s) and NRIC No./Passport No./ Company Registration No.) of _____ (Address) being a Unitholder/Unitholders of ESR-REIT, hereby appoint the Chairman of the EGM as my/our proxy to attend, speak and vote for me/us on my/our behalf at the EGM of ESR-REIT to be convened and held by way of electronic means on **Monday, 26 July 2021 at 10.00 a.m.** and at any adjournment thereof. I/We direct the Chairman of the EGM as my/our proxy to vote for or against, or to abstain from voting on, the resolution to be proposed at the EGM as indicated hereunder[#]. If no specific direction as to voting is given, the Chairman of the EGM, as proxy, will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the EGM.

No.	Resolution	No. of Votes For*	No. of Votes Against*	No. of Votes to Abstain*
ORDINARY RESOLUTION				
1	To approve the proposed Whitewash Resolution			

[#] You should specifically direct the Chairman of the EGM, as proxy, on how he/she is to vote for, vote against or abstain from voting on the resolution.

* If you wish to exercise all your votes “For” or “Against” or to “Abstain” from voting on the resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2021.

**Total number of
ESR-REIT Units held**

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

Please glue and seal along the edge)

Please glue and seal along the edge)

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 Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to the Proxy Form:

1. Due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the EGM in person. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of or during the EGM, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM.
2. A Unitholder who wishes to vote at the EGM of ESR-REIT must appoint the Chairman of the EGM to act as his/her proxy to vote on behalf of him/her at the EGM in respect of all the Units held by him/her. In the Proxy Form, a Unitholder should specifically direct the Chairman of the EGM, as proxy, on how he/she is to vote for or vote against (or abstain from voting on) the resolution. All valid votes cast via proxy on the resolution will be counted.
3. The duly completed Proxy Form must be submitted to the office of the Unit Registrar of ESR-REIT, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
 - (a) via post to 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (by enclosing a clear, completed and signed Proxy Form); or
 - (b) via email to SRS.TeamE@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF), and in either case, must be received by ESR-REIT not later than 10.00 a.m. on 23 July 2021, being 72 hours before the time appointed for the holding of the EGM.

In view of the current COVID-19 situation and the related safe distancing measures which may affect postage timings and make it difficult for Unitholders to submit Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email to SRS.TeamE@boardroomlimited.com.

4. A Unitholder should insert the total number of Units held. If the Unitholder only has 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 Units. If the Unitholder only has Units registered in his/her name in the Register of Unitholders of ESR-REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders of ESR-REIT, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder in both the Depository Register and the Register of Unitholders of ESR-REIT.
5. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised. ESR Funds Management (S) Limited, in its capacity as manager of ESR-REIT (the "Manager"), and RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT (the "Trustee"), shall be entitled and be bound, in determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, to have regard to any instructions and/or notes set out in the Proxy Form. The Manager and the Trustee shall have the right to reject any Proxy Form which has not been duly completed.
6. 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 duly certified copy of such power or authority must (failing previous registration with the Manager) if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Manager and the Trustee shall have the right to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, each of the Manager and the Trustee may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.
8. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
9. Each Unitholder shall have one vote for every Unit of which he/she is the Unitholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.
10. Any reference to a time of day is made by reference to Singapore time.



**Real Estate for
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