

ESR-LOGOS REIT

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

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 1, 1 Raffles Boulevard, Singapore 039593
DATE	:	Wednesday, 26 April 2023
TIME	:	10.00 a.m.
PRESENT	:	Please see Attendance List attached hereto
IN ATTENDANCE	:	Please see Attendance List attached hereto
CHAIRPERSON	:	Ms Stefanie Yuen Thio

INTRODUCTION

In accordance with the Trust Deed, Perpetual (Asia) Limited, as trustee of ESR-LOGOS REIT (the “**Trustee**”) had nominated Ms Stefanie Yuen Thio to preside as Chairperson of the Meeting. The Chairperson welcomed all the unitholders of ESR-LOGOS REIT (“**Unitholders**”) for attending the 14th annual general meeting (the “**Meeting**” or “**AGM**”).

The Chairperson introduced herself, the Chief Executive Officer & Executive Director, and other Directors of the ESR-LOGOS REIT manager (“**Manager**”), the Management team, the Company Secretary, Ernst & Young LLP, the auditors of ESR-LOGOS REIT, PwC Risk Services Pte Ltd, the internal auditors of ESR-LOGOS REIT, Allen & Gledhill LLP, the Legal Adviser for the resolutions, Perpetual (Asia) Limited, the Trustee and the trustee for Viva Trust, a sub-trust of ESR-LOGOS REIT, and other professionals who were present in the Meeting.

QUORUM

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

NOTICE

The notice convening the Meeting was taken as read.

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

The Chairperson invited Mr Adrian Chui, the CEO and Executive Director to make a presentation on the key developments and performance of the Trust in Year 2022 and the outlook for 2023.

POLL VOTING

Ms Stefanie Yuen Thio, in her capacity as Chairperson of the Meeting, called for voting on all the resolutions to be conducted by poll pursuant to Schedule 1 of the Trust Deed. She explained that the poll will be undertaken in a paperless manner using a wireless handheld device and a short video on “How to Vote” was played to the Unitholders as part of the voting process.

The Chairperson had been appointed as proxy by Unitholders who had directed the Chairperson of the Meeting to vote for, against, or abstain from voting on, the ordinary resolutions as set out in the Notice of AGM. Accordingly, she casted all votes as so directed for each resolution.

All valid proxy forms received by the deadline as specified in the Notice of AGM, had been accounted for and had been independently verified by DrewCorp Services Pte Ltd, the appointed scrutineers for the Meeting, and Boardroom Corporate Advisory Services Pte Ltd, the appointed polling agent for the Meeting.

GENERAL QUESTIONS AND ANSWERS (“Q&A”)

It was noted that the Manager had received several questions from Unitholders before the AGM. The Manager had addressed the relevant and substantial questions raised by Unitholders in a separate announcement on 21 April 2023.

The Chairperson invited Unitholders present at the Meeting to ask questions via the microphones provided.

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

The Chairperson proceeded to deal with the ordinary resolutions of the AGM after the close of the Q&A session.

ORDINARY BUSINESS:

ORDINARY RESOLUTION 1

- **TO RECEIVE AND ADOPT THE TRUSTEE’S REPORT, THE STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF ESR-LOGOS REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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

Total		For		Against	
Total number of units represented by votes for and against the relevant resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
3,455,834,873	100.00	3,449,894,989	99.83	5,939,884	0.17

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

That the Trustee’s Report, the Statement by the Manager and the Audited Financial Statements of ESR-LOGOS REIT for the financial year ended 31 December 2022 and the auditors’ report thereon be received and adopted.

ORDINARY RESOLUTION 2

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

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

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

Total		For		Against	
Total number of units represented by votes for and against the relevant resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
3,456,190,019	100.00	3,422,147,290	99.02	34,042,729	0.98

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

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

SPECIAL BUSINESS:

ORDINARY RESOLUTION 3

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

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

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

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

Total		For		Against	
Total number of units represented by votes for and against the relevant resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
3,455,641,214	100.00	3,020,703,511	87.41	434,937,703	12.59

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

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

- (a) (i) *issue units in ESR-LOGOS REIT (“Units”) whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of ESR-LOGOS REIT’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or*

- (ii) *make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, “Instruments”),*

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

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

provided that:

- (1) *the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with subparagraph (2) below, of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per cent. (20%) of the total number of Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below;*
- (2) *subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraphs (1) above, the total number of issued Units (excluding treasury Units, if any) shall be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:*
- (a) *any new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and*
- (b) *any subsequent bonus issue, consolidation or subdivision of Units;*
- (3) *in exercising the authority conferred by this Resolution, the Manager shall comply with applicable legal requirements governing ESR-LOGOS REIT, including but not limited to the provisions of the Listing Manual of the SGX-ST (the “Listing Manual”) for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting ESR-LOGOS REIT (as amended) (the “Trust Deed”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);*
- (4) *(unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution continues in force until (i) the conclusion of the next AGM of ESR-LOGOS REIT or (ii) the date on which the next AGM of ESR-LOGOS REIT is required by applicable regulations or the Trust Deed to be held, whichever is earlier;*
- (5) *where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and*
- (6) *the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of ESR-LOGOS REIT to give effect to the authority contemplated and/or authorised by this Resolution.*

ORDINARY RESOLUTION 4

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

Chairperson informed the Unitholders that Ordinary Resolution 4 was to authorise the Manager to repurchase or otherwise acquire units for and on behalf of ESR-LOGOS REIT in accordance with the Unit Buy-Back Mandate set out in the Circular to Unitholders dated 4 April 2023.

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

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

Total		For		Against	
Total number of units represented by votes for and against the relevant resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
3,456,551,456	100.00	3,351,200,050	96.95	105,351,406	3.05

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

That:

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

- (i) *market repurchase(s) or acquisition(s) of Units through the trading system of the SGX-ST; and/or*
- (ii) *off-market repurchase(s) of Units otherwise than on a securities exchange and made under an "equal access scheme" for repurchase of Units from Unitholders in accordance with the Trust Deed,*

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

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

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

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- (ii) *the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated; or*
- (iii) *the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied;*
- (c) *in this Resolution:*
- "Average Closing Price"** *means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and on the date of the market repurchase;*
- "date of the making of the offer"** *means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;*
- "Market Day"** *means a day on which the SGX-ST is open for trading in securities;*
- "Maximum Limit"** *means that number of Units representing 10.0% of the total number of issued Units as at the date of the passing of this Resolution; and*
- "Maximum Price"** *in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units for both a market repurchase and an off-market repurchase;*
- (d) *the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of E-LOG to give effect to the transactions contemplated and/or authorised by this Resolution.*

CONCLUSION

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

CLOSE OF THE MEETING

There being no other business to transact, the Chairperson declared the Meeting closed at 11.40a.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings held

Ms Stefanie Yuen Thio
Chairperson

APPENDIX I

Unitholder	Lim How Teck
<p>Question 1</p>	<p>During the merger, ESR-REIT was valued at approximately 50 cents per unit, while ARA LOGOS Logistics Trust (“ALOG Trust”) was at close to 90 cents per unit. At the close of yesterday, the unit price of ESR-LOGOS REIT (“E-LOG”) was 32.5 cents. Based on the 52-week low of 31.2 cents and the 52-week high of 42.9 cents, E-LOG’s unit is 4% from the low and 32% from the high, respectively. In addition, the programs implemented by E-LOG such as the Distribution Reinvestment Plan (“DRP”) have been diluting the unitholders with no increase in the unit price. The Unitholders are concerned as they are losing money after the merger, particularly for the long-time ALOG Trust’s unitholders.</p> <p>While the Company encouraged the Unitholders to take up units instead of cash as dividends in the DRP, the issue price was not attractive at all as it was very close to the last-dealt price. Unitholders would rather take the cash and reinvest elsewhere for higher yield.</p> <p>Management should also carry out corporate actions such as asset disposals which can create a more significant impact on the unit price. With the good years enjoyed by the shipping industry, rental reversion on the logistic properties is something that all players should do, and perhaps more aggressively.</p> <p>Can the Management share what they are going to do in the coming year to allow Unitholders to breakeven as the first step, and thereafter to increase the value of the REIT?</p>
<p>CEO</p>	<p>DRP</p> <p>Unitholders are given a choice to take cash or units in the DRP. We have investors requesting for units in the DRP as they would like to stay continuously invested with us. We are unable to satisfy all Unitholders as some of them will want to have DRP while some do not. However, to address Mr Lim’s point, we could review whether DRP should be implemented when there is an ongoing fundraising.</p> <p>Strategies</p> <p>We are looking to divest assets/portfolios which are no longer useful to us. Pending redeployment of the proceeds from divestment, we may consider returning some of the capital to the Unitholders via unit buyback or capital returns.</p> <p>To move the needle, a sizeable amount of existing assets has to be divested so that the proceeds can be redeployed to acquire assets that are accretive. However, it must be done strategically as we are not only focusing on the initial yield but also on any potential rental upside. As such, the logistics sector has always been our focus given its sustainable supply and demand trend for at least over the next two to three years. Our exposure to the logistics sector will enable us to be in a position to achieve potential rental reversion.</p>

	<p>Our strategies for this year and next year are as follows:</p> <ol style="list-style-type: none"> 1. Push for higher rental reversion during renewals. 2. Dispose assets that are unable to generate the rental that we require, including those with short-term leases. In the past few months, we have identified up to S\$450 million of non-core assets to be divested. By selling these assets, we will have the capital to reinvest in larger and accretive New Economy assets so that E-LOG can be in a position to achieve better rental reversion.
Question 2	<p>If the Management intends to carry out DRP, it should be meaningful to the current Unitholders. The DRP issue price should at least be 2 to 3 cents lower than the current spot price, otherwise, it will not be attractive to the Unitholders. The savings achieved from the front-end cost in fund raising could pass on to the Unitholders by offsetting the issue price. I also noted that not many Unitholders take up units in past DRP exercises.</p> <p>I would like to encourage the Management to take advantage of its sponsor, LOGOS, who has a lot of logistic assets.</p>
CEO	<p>Since we started the DRP, the take up rate is approximately 25% for every quarter.</p> <p>We are currently in discussion with LOGOS to explore potential collaborations. We noted your suggestions and comments.</p>
Chairperson	<p>We have to have a balance as we are unable to give too much discount to Unitholders. Unitholders who need the cash and unable to participate in the DRP may complain being diluted.</p>
Unitholder	Venkatachalam Alagappan
Question 3	<p>E-LOG has been bulking up its assets over the years through various acquisitions using the proceeds from the several preferential offering exercises. This has also left E-LOG with a very large unitholder base. Understand that E-LOG's target is to be everyone's radar in the market so as to obtain attractive financing for the Company. However, I did not see any positive outcome being reflected after all the exercises that had been done in the past. Could the Management advise how much financial cost has been saved in terms of percentage? And also, what targets did E-LOG have in the beginning and how much of that targets have been achieved.</p>
CEO	<p>We can look at the loan margin which is based on factors such as credit rating, assets quality and Sponsor's credit. Back in 2017, a three-year loan that we borrowed from a bank was approximately Swap Offer Rate (SOR) plus a loan margin of 2% to 2.25% and we had to pledge our assets as collateral.</p> <p>Today, we can obtain a four-year loan with a loan margin of 1.5% and a three-year loan with a loan margin of 1.3% on an unsecured basis (i.e., without having to pledge any of our assets as collaterals to the bank). The higher interest expense was due to a significant increase in the base rate by 4 times despite a fall in the loan margin. Had our loan margin remained the same, the borrowing rate based</p>

	<p>on current Singapore Overnight Rate Average (SORA) would have been 4.3% to 4.5%, instead of 3.66% that we are having today.</p> <p>Without the need to pledge our collaterals with the banks, we prevent the banks from cherry picking the best assets while having remnants of less desirable asset as collaterals. A high unsecured portfolio allows us to issue bonds which have a longer tenure as the bond holders and lending banks are pari-passu when it comes to access to assets in the event of default. In 2017, our five-year bond was issued at 4.5% coupon rate. At our current state, prior to the interest hike, we were able to issue a five-year bond at 2.6% coupon rate, which was almost half of the rate compared to year 2017.</p> <p>At the same time, we are also able to tap on the perpetual securities market which has served us well although it came at a relatively higher cost. Our philosophy is that perpetual securities can never replace debt. Perpetual securities market must be of a certain size and the securities can only be issued at the back of reputable name, sponsors and sizable REITs. The absence of pledged assets is also one of the important criteria to issue perpetual securities. Currently, our perpetual securities do not account for more than 10% to 12% of our capital structure. E-LOG's funding strategy at this moment will be a maximum of 40% debt, with a maximum of 10% to 12% perpetual securities (depending on the terms and coupon rate), and the remaining from equity.</p>
<p>Question 4</p>	<p>I am aware that the market is difficult but the unit price of E-LOG has always not been performing well. Also, Management should really consider recycling the assets rather than going through fund raising process again and again.</p> <p>Referring to the Statement of Total Return on page 212 of the Annual Report 2022, there is a fair value adjustment relating to the merger amounting to a loss of S\$427 million. Please explain how it is being derived.</p>
<p>CEO</p>	<p>We do agree with your statement and that is why we are looking at selling our assets. The maintenance cost would rise over time with dated assets and revenue would likely to decrease with lower demand in the dated assets given their older specifications. Importantly, there is a loss of 3% to 6% of capital value annually due to the land lease decay.</p> <p>Being larger in size, we are now able to divest S\$300 million to S\$400 million of assets without any significant impact on our DPU. However, it takes time to source and acquire better assets for replacements. We need to strike a balance between divestments and fund raising.</p> <p>Over the last few years since our growth and inclusion in the indices, we have been approached by global fund managers and investors looking to invest in E-LOG. Those investors have also invested in our sponsor, ESR Group Limited ("ESR Group"), due to the type and quality of assets owned by ESR Group. While E-LOG does not have the right of first refusal to acquire the Group's assets, we have the privilege to have a first look at the assets that are to be kept within the Group. However, whether we will acquire the asset would depend on the price. While we recycle our assets to</p>

	<p>limit the amount of fund raising, we have to ensure that the transaction is sensible, sizeable and accretive not just on a short-term basis but also on a long-term basis.</p> <p>To acquire sizeable assets, we need fundings from new institutional investors as we are unable to keep raising funds from existing unitholders. As such, we have split the current fund raising into private placement and preferential offering. We managed to raise gross proceeds of approximately S\$150 million pursuant to private placement despite a demand of S\$450 million. In fact, it may not be necessary to launch the preferential offering since we are able to raise the entire S\$300 million from private placement at an issue price of S\$0.330 per unit and obtain the necessary funds almost immediately. Instead, we launched this preferential offering at an issue price of S\$0.325 per unit (which was at a 0.5 cents discount) and incur the cost of convening an EGM so as to provide existing Unitholders a chance to participate in the fund raising. As such, we could have done away with the preferential offering and just allocate the full \$300m to the demand order of \$450m in the placement. Then we would have sold all the new shares at a higher price and even faster. But existing unitholders will miss out on the opportunity to subscribe to the discounted new units.</p> <p>Going forward, Management will review and strike a balance in raising funds and divesting significant assets as well as the structure of fund raising i.e., Placement vs. Preferential Offer</p>
CFO	<p>The S\$427 million fair value loss represents the write-off of acquisition-related costs and premium over the fair value of net assets of ALOG Trust upon completion of the merger in April 2022. The total consideration paid for ALOG Trust was around S\$1.4 billion while the net assets acquired was valued at approximately S\$1 billion. Hence, there was a downward fair value adjustment of S\$0.4 billion. The balance of the fair value loss of approximately S\$20 million was due to the acquisition-related costs incurred.</p> <p>The fair value adjustment will affect the net asset value (“NAV”) but have no impact on distributable income.</p>
Question 5	<p>While I am not inclined to preferential offering, it does not mean that E-LOG should do more placement as this will cause a dilution to the existing Unitholders. Management should instead consider prioritising the recycling of assets.</p>
CEO	<p>Our current priority is to secure rental reversion. Our asset management team are pushing for early renewals due to the high market demand especially for logistics assets. We will also focus on divesting assets. In fact, the Management team has already started working on divestment since last year. We have an exclusivity with a buyer who is now conducting due diligence on some of our assets. We will provide more details on the divestment in due course. We wish to highlight that we are not prioritizing fund raising over assets recycling. We did divest assets over the years and when we do so, we will always consider whether the asset is core or non-core. If it is the latter, we will divest it. However, even if it is a core asset that we are willing to retain, we will still divest it if the offer price is attractive to us.</p>

Question 6	Can the Management consider repaying the perpetual securities as it could pose a problem during renewal given the high interest rate environment. Since E-LOG has a relatively low gearing of 41% to 42%, perpetual securities may not be that necessary and loans will always have a lower interest rate compared to perpetual securities.
CEO	<p>As a background, in October 2022, when the perpetual securities are nearing the time for reset, the banks informed that the coupon rate of new perpetual securities to replace the existing one is 7.2% to 7.3%. As such, if we issue a new PERP to replace the expiring PERP, we would have to be locked in for the next five years at the 7.2% to 7.3% coupon rate. If we reset the perpetual securities, the rate will be at 6.6% and every six months, E-LOG will have the option to buy back the entire perpetual securities. We understand 6.6% is still high, and hence we are looking to use some of the proceeds from fund raising to buy back the perpetual securities.</p> <p>We are also relooking at the perpetual securities. While perpetual securities allow for equity treatment, the interest rate can be very volatile. When we decided to take up perpetual securities, our board of directors had emphasized to the Management team that they are not similar to normal loan and they should not account for a significant portion in the capital structure. Thus, we are keeping perpetual securities at approximately 10% of our capital structure.</p>
Question 7	It has been six days since the closing date for the preferential offering. Why hasn't the Company announced the subscription results?
CEO	The latest preferential offering was 1.4 times oversubscribed and we will release an announcement on the subscription results soon.
Question 8	Since the preferential offering is oversubscribed, does that mean the Unitholders might not get all the units that they have subscribed?
CEO	Yes. Unitholders who applied for excess units will be issued units on a pro-rata basis.
Question 9	I notice that some of the Directors like Mr Wilson Ang did not take up his entitlement fully and some Directors did not even subscribe for the preferential offering. I would like to understand the sentiments of the market regarding this preferential offering.
Chairperson	Being Directors of the REIT Manager, we are subject to strict regulatory disclosure requirements whenever we are dealing in the units. As such, we would rather not subscribe to the units due to the additional disclosure requirements.
Unitholder	<i>Norman Chia Hong Kiat</i>
Question 10	I would like to check with Mr Wilson Ang, since the merger with Viva Trust, is E-LOG performing better in terms of total return? What is your view?
Mr Wilson Ang	We have grown in size through the merger and attracted more institutional investors and enjoyed a lower loan margin. Prior to the

(Non-Executive Director)	merger, Viva Trust had debts that were 100% secured with a high loan margin. Since the merger, we have seen improved results with a decrease in loan margin. In terms of returns, the REIT has inevitably been affected by the market sentiment as well as the growing interest rate. My total unitholding would be 4.3 million units after the preferential offering subscription thus my interest is aligned with the Unitholders.
Question 11	Are you incurring loss too?
Mr Wilson Ang (Non-Executive Director)	I believe that when holding the units for a long term, even if the market price fluctuates, there would always be returns. For those invested during the Cambridge time, the Unitholders should have gotten back their invested principal and whatever they are getting now is pure return.
Question 12	Referring to Ms Karen Lee. You were a strong advocate for the merger. With the drop in unit price from 90 cents then to now 32.5 cents, how do you feel about it?
Ms Karen Lee (Deputy CEO)	When we did the merger, we mentioned the following points. Firstly, we need the scale as being a small REIT, we have limitations in our plans. Coming together, as E-LOG is growing its business, there are more opportunities for us as a bigger platform. However, we need time to execute the strategies as shared by the CEO. We are focusing a lot on portfolios rebalancing and reconstitution. Our portfolio has quite a number of properties with short land leases which we are trying to divest and this is one of our key strategies. We also need to increase the occupancy and rental reversion. The performance slides that CEO presented earlier has shown that we have achieved strong rental reversion and that is a reflection of the strong fundamentals of our portfolio. The Management team is working hard to ensure that the Company can deliver the returns to Unitholders in time to come.
Question 13	How many years should we give E-LOG to show its bottom line?
CEO	<p>Overall, E-LOG is getting the right direction primarily from the improvement in rental reversion. E-LOG had maintained an average annual DPU of 4.0 cents prior to FY2020. The Covid-19 pandemic in FY2020 resulted in high negative rental reversions which severely hit the bottom-line resulting in a drop in DPU to 2.8 cents. In FY2021, DPU went up to about 2.98 cents. In FY2022, in spite of the huge spike in utility expenses, DPU was at about 3.00 cents. We should be able to get back to more than 3.0 cents in the next few years. There might be fluctuations in the DPU as we are also divesting assets which means loss of income, but the trajectory will be in an upward direction</p> <p>Similar to occupancy where we were being asked why the occupancy rate was always at 92%. As per what we have reported quarterly, there will always be transient occupancy due to time lag. We can hit 100% occupancy rate by lowering the rent, but it will impact our capital value.</p> <p>In terms of raising interest rate, we are able to manage it with a 72% hedge ratio. This year, we will be paying more attention to the capital value. Valuation is based on the discount rate. If interest rate</p>

	<p>increases, the discount rate will increase as well. Increasing discount rate reduces the valuation of the properties which in turn, increases the gearing.</p> <p>E-LOG has a relatively comfortable leverage at 38% following the fund raising to buffer against the increase in interest rate. The positive rental reversion in the logistics sector can also help to mitigate some of the impact from the rise in interest rate.</p>
Question 14	<p>At the last EGM held on 28 March 2023, I have requested for a slide to show a five-year total return. The response published by the Company did not provide for five years and only showed a number - 16%. How did you get the total return of 16% when there was a drop in both unit price and DPU. Could you please explain it more clearly?</p> <p>Please publish the requested total returns in the upcoming announcement.</p>
CEO	The total return of 16% has taken into account the reinvestments over the years. Management will follow up with the request accordingly.
Question 15	Despite the administrative difficulties, as a Chairperson, you should show some commitments through the subscription for E-LOG units.
Chairperson	Actually, I have been asking the Management when I could trade E-LOG units. However, given that I am consistently in possession of insider information, I do not wish to get into trouble for insider trading. This is especially when the regulators usually set a higher bar for lawyers.
Unitholder	Huang Yang Nee
Question 16	Referring to the trust structure in page 8 of the Annual Report 2022, ESR Group is holding 13.92% interest in E-LOG as a sponsor. While they are trying to push E-LOG as their flagship REIT, their current unitholding does not seem high enough to reflect their commitment. Comparing to other REITs, their sponsors' holdings are at least over 20%.
CEO	<p>The unitholding of ESR Group has been and will be increasing gradually. When ESR Group became the sponsor of E-LOG, their unitholding was only 9% and it has now increased to approximately 14%.</p> <p>There are two ways to increase their unitholding. One way is to issue them new units via fund raising, though it may also dilute the unitholding of other existing Unitholders. At the same time, when we continue to acquire assets from the sponsor, there would be opportunities for the sponsor to receive new units instead of cash as a form of consideration.</p>
Chairperson	<p>The full backstop by the sponsor for each preferential offering launched by E-LOG is clearly a form of commitment to E-LOG. The sponsor will take up the units which are not subscribed by the Unitholders. It should be noted that E-LOG also has several substantial unitholders following the mergers over the years. The sponsor is certainly committed, and we work closely with them.</p>

Question 17	What are the potential assets that E-LOG can possibly look at given the large number of assets owned by ESR Group.
CEO	<p>Currently, there are at least S\$2 billion worth of potential assets in ESR Group which fit our strategies of new economy and logistic sectors. To acquire these assets, besides the funding requirements, we also need to consider the time to digest and manage the overall portfolio.</p> <p>In terms of acquisition per year, a good size is roughly 20% of E-LOG's assets under management ("AUM"). To raise funds for the acquisitions, we will use a combination of assets divestment and fund raising. At the same time, we must strike a balance such that our leverage is not excessive. So long the price is right and the market is conducive for fund raising, we will proceed to acquire the assets. However, I do not think that it is sensible to issue huge amount of equity in this current market.</p>
Question 18	Is there any increase in the value of the assets acquired by E-LOG in the recent time?
CEO	<p>E-LOG's first overseas freehold acquisition (EALP) was at S\$60 million at the point of acquisition. Its capital value has increased by 40%. For ALOG Trust's portfolio, the capital value has also increased by 15% to 16% since the merger. When acquiring assets, we will look at not just the initial yield but also the potential for increase in capital value. For capital value to grow, the asset should be freehold or have a long underlying land lease tenure.</p>
Question 19	Will the NAV correspondingly increase with the growth in capital value?
CEO	<p>As shared earlier, the fall in NAV was due to the premium paid for the two mergers. In addition, there is the issue of land lease decay as we still have close to 75% of our assets in Singapore with short land leases. As we sell off the assets with shorter land leases and acquire freehold assets or assets with longer land leases, the impact from land lease decay will reduce and this will improve our valuation.</p> <p>E-LOG has always been trading at approximately 1.05 to 1.1 times of its book value, though it recently went down to around 0.91 times due to the macro environment. The overall S-REIT market is trading at 0.8 times of book value and some of the bigger peers in the other sectors are trading at 0.7/0.8 times of their book value. We agreed that price-to-book is one factor that we have to look into as it is a validation of whether we are moving in the right direction.</p>

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

**ANNUAL GENERAL MEETING
ATTENDANCE LIST**

PLACE : Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 1, 1 Raffles Boulevard, Singapore 039593

DATE : Wednesday, 26 April 2023

TIME : 10.00 a.m.

S/No.	Name	Position
1.	Stefanie Yuen Thio	Independent Chairperson
2.	Nagaraj Sivaram	Independent Non-Executive Director
3.	Ronald Lim Cheng Aun	Independent Non-Executive Director
4.	Dr Julie Lo Lai Wan	Independent Non-Executive Director
5.	Wilson Ang Poh Seong	Non-Executive Director
6.	Adrian Chui Wai Yin	Chief Executive Officer & Executive Director
7.	Karen Lee Kiah Ling	Deputy Chief Executive Officer
8.	Don Kok Chew Meng	Chief Financial Officer
9.	Charlene-Jayne Chang	Head of Capital Markets and Investor Relations
10.	Nancy Tan	Head of Investment
11.	Loy York Ying	Head of Compliance and Risk Management
12.	Carlvin Chia	Co-Head of Asset Management
13.	Chan Wei Chie	General Manager, Property Management
14.	Chiang Wai Ming	Company Secretary, TMF Singapore H Pte. Ltd.
15.	Perpetual (Asia) Limited	Trustee for ESR-LOGOS REIT and Viva Trust, a sub-trust of ESR-LOGOS REIT
16.	Ernst & Young LLP	External Auditor of ESR-LOGOS REIT
17.	PwC Risk Services Pte Ltd	Internal Auditor of the Manager
18.	Allen & Gledhill LLP	Legal Adviser