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

Unless otherwise defined, all capitalized terms used and not defined herein shall have the same meaning given to them in the Circular to Unitholder dated 27 September 2022.

MINUTES OF EXTRAORDINARY GENERAL MEETING

PLACE	**:**	Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 2, 1 Raffles Boulevard, Singapore 039593 ("Suntec") and by way of electronic means
DATE	**:**	Wednesday, 12 October 2022
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, RBC Investor Services Trust Singapore Limited, as trustee of ESR-LOGOS REIT (the "**Trustee**") had nominated Ms Stefanie Yuen Thio to preside as Chairperson of the Meeting.

The Chairperson introduced herself, the Chief Executive Officer & Executive Director, and other Directors of the ESR-LOGOS REIT Manager, the Management team, the Company Secretary, Allen & Gledhill LLP, the Legal Adviser for the resolution, RBC Investor Services Trust Singapore Limited, the Trustee, Perpetual (Asia) Limited, the trustee for Viva Trust, a sub-trust of ESR-LOGOS REIT, HSBC Institutional Trust Services (Singapore) Limited, the trustee for ALOG Trust, a sub-trust of ESR-LOGOS REIT and other professionals who were present in the extraordinary general meeting (the "**Meeting**" or "**EGM**") at Suntec or via webcast.

QUORUM

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

NOTICE

The notice convening the Meeting was taken as read. The Chairperson explained that on 29 August 2022, the Manager of ESR-LOGOS REIT had issued an announcement on the proposed acquisition of 100% trust beneficiary interest in ESR Sakura Distribution Centre (the 'Proposed Acquisition'). The resolution for the meeting was to obtain unitholders' approval on the Proposed Acquisition, as an Interested Person Transaction

The Chairperson highlighted that under the SGX Listing Rules and the Code on Collective Investment Schemes, the sponsor, ESR Group Limited and its associates (including the ESR-LOGOS REIT Manager and the other shareholder of the Manager, the Summit Group) have abstained from voting on the ordinary resolution, leaving all other unitholders to make an informed decision on the acquisition.

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 rationale and the benefits of the Proposed Acquisition to be approved by the Unitholders in this Meeting.

POLL VOTING

Ms Stefanie Yuen Thio, in her capacity as Chairperson of the Meeting, called for voting on the ordinary resolution to be conducted by poll pursuant to Schedule 1 of the Trust Deed. She explained that the poll will be undertaken in real time via electronic means 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 resolution as set out in the Notice of EGM. Accordingly, she casted all votes as so directed for the ordinary resolution.

All valid proxy forms received by the deadline as specified in the Notice of EGM, had been accounted for and had been independently verified by DrewCorp Services Pte Ltd, the appointed scrutineer 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 ESR-LOGOS REIT Manager had received several questions from Unitholders before the EGM. The ESR-LOGOS REIT Manager had addressed the relevant and substantial questions raised by the Unitholders in a separate announcement on 7 October 2022.

The Chairperson invited Unitholders both physically present at the Meeting, as well as Unitholders who were attending the Meeting online to ask questions. For Unitholders present at the Meeting venue, questions were asked via the microphones provided. For Unitholders who were viewing the webcast or listening to the audio feeds, they were able to post any questions that they wished to ask via the online chat box function.

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 resolution of the EGM after the close of the Q&A session.

ORDINARY RESOLUTION

- **THE PROPOSED ACQUISITION OF 100.0% TRUST BENEFICIARY INTEREST IN ESR SAKURA DISTRIBUTION CENTRE (AS DEFINED HEREIN), AS AN INTERESTED PERSON TRANSACTION**

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

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,935,699,989	**100.00**	**1,929,323,691**	**99.67**	**6,376,298**	**0.33**

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

*(i) approval be and is hereby given for the acquisition of the logistics property known as ESR Distribution Centre located at 2464-11 and others, Ota, Sakura-shi, Chiba-ken ("**ESR Sakura DC**"), by way of an acquisition of 100% of the trust beneficiary interest in ESR Sakura DC (the "**Japan Acquisition**");*

*(ii) the entry into the sale and purchase agreement with ESR 34 GK (the "**Sponsor Vendor**") to acquire 100% of the trust beneficiary interest in ESR Sakura DC (the "**Japan Sale and Purchase Agreement**"), and all documents required to be executed or assigned by the parties in order to give effect to the Japan Acquisition, is hereby approved and (as the case may be) ratified;*

(iii) approval be and is hereby given for the payment of all fees and expenses relating to the Japan Acquisition; and

*(iv) ESR-LOGOS Funds Management (S) Limited (as manager of E-LOG) (the "**Manager**"), any director of the Manager ("**Director**"), and RBC Investor Services Trust Singapore Limited, as trustee of E-LOG (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 Japan Acquisition, and all transactions contemplated under the Japan Acquisition, and in this connection, the board of directors of the Manager (the "**Board**") be hereby authorised to delegate such authority to such persons as the Board deems fit.*

CONCLUSION

It was noted that the poll results of the ordinary resolution tabled for Unitholders' voting would be released after 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. 15 a.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings held

Ms Stefanie Yuen Thio
Chairperson

APPENDIX I

Unitholder	***Manohar P Sabnani***
Question 1	**Which geographical areas/ countries will ESR-LOGOS REIT be focusing on?** **The REIT should remain competitive and attractive for investors and focus on delivering their strategy.** **Due to the current high debt-to-equity ratio, ESR-LOGOS REIT should consider focusing on asset enhancement initiatives ("AEIs") of existing portfolio rather than expanding the REIT or purchasing/acquiring more assets especially after the completion of a major merger .**
CEO	ESR-LOGOS REIT has been focusing on APAC countries such as Singapore, Australia and Japan. The rationale for choosing these developed countries are: a) Provision of local currency debt by local lending banks; b) Clear real estate and rule of laws; c) Ease of inflow and outflow of funds; and d) Scalability. ESR-LOGOS REIT is leveraging in these countries via ESR Group as there are existing full real estate local teams on the ground who can assist to manage, lease, develop and market the assets. CEO reiterated that these 3 countries will be the focus for ESR-LOGOS REIT for the next 24 months. The reason why the REIT is not acquiring any Australia assets now was due to the capitalization rate. The yield in Australia is around 4%, whereas, the borrowing cost is above 5%. Despite the negative spread between asset NPI yield and borrowing costs, the Management has no intention to remove Australia from its strategy as the long-term plan is still to expand to Australia as it fits into our investment strategy and criteria. Currently, Singapore and Japan are the only two countries with positive spreads between NPI and borrowing cost. CEO concurred that the world is changing, with geopolitical risks between US-China, the Ukraine-Russia war, China's continued pursue of zero-Covid policy and continued global supply chain disruptions.. These have resulted in higher energy costs and higher inflation, fears of looming global recession due to the fast pace Fed interest rate increases However, there are also structural growth opportunities especially in the hi-specs manufacturing and logistics area. Covid-19 has changed the way goods are being produced, delivered and consumed. The Just-in-Time ("**JIT**") manufacturing has been replaced by Just-in-Case ("**JIC**") manufacturing. Thus, the manufacturers would need a warehouse to keep both their raw materials and finished goods if the supply chain collapses again. Due to the geopolitical risk, the manufacturers and multinational companies ("**MNC**") tenants who originally intended to shift to China and Vietnam during the pre-Covid 19 period due to lower cost of operation when their leases were due for renewal, are returning to Singapore as Singapore can provide a better business environment to operate. Comparing to a 10% higher rental cost in Singapore the possibility of a complete shut down of business operations in these countries, these MNCs would rather stay put in Singapore. Therefore, ESR-LOGOS REIT will be moving towards hi-spec manufacturing and logistic segments as well.

	In relation to the gearing ratio, there is a difference between debt-to-equity ratio ("**DE**") and debt-to-asset ratio ("**DA**"). DA is the correct gearing matrix for REIT sector. DE is more appropriate for operating companies who depend on operating cashflows. CEO explained that there is a need to balance the efficient utilisation of balance sheet and gearing. ESR-LOGOS REIT has always refinanced our debt ahead of time, continued to borrow on unsecured basis and spread out the debt tenor. Hence, the Management opined that 40% of gearing ratio is reasonable and some of the investors are comfortable with this gearing ratio. However, CEO also noted that the certain unitholders would prefer the gearing ratio of ESR-LOGOS REIT to be below 40% considering the world is more risk averse today. As such, with reference to the REIT's announcement released in June 2022, the Management had considered the reduction of gearing ratio by issuing of equity or divesting of assets. In view of the current weak capital market conditions, divestment of assets has been the focus of the Management. However, Management does not want to give the wrong impression to the unitholders that the reason for divesting of assets is to repay the bank loans as the REIT is unable to borrow more or unable to repay the loans when it is due. CEO assured unitholders that all the bank loan covenants of ESR-LOGOS REIT remain healthy. The main reason for divesting of the assets is because some of the assets are really small and cannot be enhanced or not worth enhancing and the proceeds of the divestment will be used to paydown the debt. CEO further explained that as the Japan loan was obtained at a very attractive rate, Management took this opportunity to invest and acquire the property in Japan with a full capital hedge i.e. adverse FX movements will not affect the valuation of Sakura asset in SGD terms..
Question 2	**He is concerned that the asset value of ESR-LOGOS REIT will be affected during a financial crisis.** **Now is a good time to divest faster if the assets cannot be enhanced in future.**
CEO	In responding to the above, CEO explained that the valuation does sometimes come down because the discount in capitalisation rates has gone up. Nevertheless, the growth of revenue can mitigate the drop in valuation. For example, the rental reversion for 1st half 2022 was c.12.0% across the whole portfolio especially in the logistic and hi-spec sectors. This mitigated the potential increase in capitalisation rate for valuation in the properties. CEO further explained that in preparation of a possible downturn in economy, Management has been ensuring that the debt expiry profile remains flattish at no more than 20% expiring for any given year.
Question 3	**What is the aggregate cost of funds now?**
CEO	It is slightly below 3%.
Question 4	**Why don't ESR-LOGOS REIT redeem the PERP at 4.6%?**

CEO	The redemption will increase the gearing ratio. If we redeem the PERP by issuing a new PERP, it will cost the REIT more than 7.0% which locks us in for the next 5 years. By not resetting the coupon now, Manager has the option to redeem the PERPs every 6 months when esp when interest rate falls off from the current high.
Unitholder	***Nancy Chang Ban Heng***
Question 5	**Reference made to transaction rationale no. 7 regarding the alignment of interests/sponsor support, it was stated that the Sponsor Vendor will acquire ESR Sakura DC (at the purchase price of JPY17,450 million without rental support) from the Fund Vendor and on-sell the asset to E-LOG at JPY17,800 million with 12 months of rental support. The difference is about JPY350 million. However, the 12 months of rental support is amounting to JPY236.5 million. Hence, there is gap of JPY113.5 million (i.e. JPY17,800 million - JPY17,450 million – JPY236.5 million). It seems better to buy at a lower price of JPY17,450 million without the rental support.**
Chairperson	The deposit of JPY872.5 million (approximately S$9.0 million) is payable upon signing of the Japan sale and purchase agreement and such deposit will not be refundable after 31 August 2022. As ESR-LOGOS REIT would not be able to convene an EGM to obtain Unitholder's approval for the Japan Acquisition prior to 31 August 2022, the deposit would be forfeited as the outcome of the EGM for the aforesaid acquisition is uncertain at the point of time.
CEO	It is not appropriate for the Management to put this sort of risk to the Unitholders when the EGM outcome is unknown. Therefore, the Sponsor has assisted by back-stopping ESR-LOGO REIT's risk of forfeiting the deposit and providing 12 months of rental support to mitigate the leasing risks. The difference of JPY113.5 million is less than the risk of losing JPY872.5 million which the Sponsor is back-stopping.
Unitholder	***Henry Ho Hai Pang***
Question 6	**ESR-LOGOS REIT has been focusing on Singapore and Australia based on current portfolio. He was surprised that the Management started to venture into Japan for acquisition of Japan assets as the REIT will need expertise to invest and manage assets in a new country. Although Japan provides low borrowing cost for loans, Japan is a country with high debt, negative interest rate and facing the challenge of an increase in aging population.**

CEO	CEO noted the big macro picture shared by the unitholder. In view of the negative interest rate environment in Japan, he concurred that funds should not be put in Japanese banks as no interest will be earned. Instead, funds should be used to purchase Japanese properties instead. CEO mentioned that a positive spread can be achieved due to the imbalance between supply and demand in the logistic sector in Japan. Regardless of whether the economy is good or bad, the logistic segment would still be in demand as facilities will be required to produce, consume and deliver goods. CEO further explained that it is good to acquire assets and borrow funds in Japan due to the low interest rate environment resulting in a positive spread between asset NPI yield and borrowing costs.. In terms of scalability, the Sponsor, ESR Group Limited has most of its assets in Australia, Japan and China. Apart from Tokyo, the Sponsor's assets are in key cities such as Osaka and Nagoya. ESR Group has approximately US$100 billion worth of assets and bulk of them are in these 3 countries. Based on estimation, the assets in Japan held by the Sponsor could probably be more than US$20 to US$30 billion. Having said that, Management is not in a hurry to acquire assets in Japan. Due care needs to be taken to evaluate the property and consider if the property can be redeveloped or enhanced. CEO stressed that scalability is the main concern when entering a new country to acquire properties.
Question 7	**Why rental support is needed since modern warehouse is in great demand and therefore replacement of any tenant can be resolved in a short span of time?**
CEO	Management has to take into consideration the types of potential tenants for the REIT as well as the reasonable price to offer to each potential tenant. Management would not want to reduce any rental price just to maintain occupancy for the REIT. It is inappropriate for the Management to solely focus only on the occupancy of the property.
Proxy from Third Party Intermediary	***Chia Seow Hwee***
Question 8	**Reference made to the Rental Support, she would like to know whether the Management is confident to find a suitable tenant that would fill up the vacant space, comprising approximately 25% of the NLA, within a short period of time.**
CEO	Yes. Management is confident to find such a suitable tenant.
Question 9	**Why is the seller selling the asset at approximately 22% below the market transacted price of comparable assets since it is a good property? Is it very common that the asset valuation is so much lower?**

CEO	The purchase price was negotiated in September 2021 based on the price during that period. A memorandum of understanding was executed to secure the purchase price. CEO highlighted that the merger with ARA Logistics Trust was announced in September 2021 and both ESR-LOGOS REIT and ARA Logistics Trust were not allowed to purchase/sell any assets as part of the merger standstill requirements. In this regard, the Sponsor, who is managing the asset, had held on to the asset on behalf of ESR-LOGOS REIT. In addition, the asset needs be be sold as soon as possible as the fund holding the asset is coming to an end-life. So, the Fund Vendor was not able to provide any Rental Support and was also not willing to waive the security deposit. As a result, the Sponsor support for the rental support is required as approval from Unitholders is still required for the acquisition.
Question 10	**In Management's perspective, is the Japan Acquisition a good deal for the REIT?**
CEO	To the Management, the purchase price is not only attractive, but the asset is also on freehold land. In addition, the yield is fair, and the imbalance of supply and demand in the Japan logistic sector is beneficial to the REIT for this transaction. We have discussed with some potential tenants to fill up the vacant space in the asset. As this is a multi-tenanted asset, Management has to ensure the type of tenants and the rentals the REIT would be receiving would be favourable to the REIT.
Question 11	**Was the valuation report done recently? Why is the purchase price approximately 22% lower than market comparable on average based on the valuation report?**
CEO	Yes, the valuation report was done recently. The valuation conducted has taken into consideration the rental support provided by the Sponsor. The Management would be conducting a full valuation of the asset once the vacant space is filled up.
Question 12	**Why it takes 12 to 24 months to sell the non-core assets of S$450 million and not 0 to 24 months?**
CEO	This is due to timing difference in terms of regulatory requirements especially with JTC processes. JTC has to evaluate the buyer's business before providing their approval to allow the buyer to purchase the assets.
Question 13	**Has the Management started to sell the non-core assets?**
CEO	Yes.
Unitholder	***Edwin Lim***
Question 14	**Is the Japan Acquisition within the S$2 billion pipeline as mentioned during the merger between ESR-REIT and ARA Logistics Trust?**
CEO	Yes.

Question 15	**NPI was 4.35% and what is the borrowing cost the Management has achieved in terms of Japanese Yen and what was the spread?**
CEO	The ESR-LOGOS REIT Manager had secured 4 years' loan with two Japanese banks and the fixed interest rate is approximately 1%.
Question 16	**What is the interest rate outlook after 4 years if Management were to refinance the loans?**
CEO	We believe that the interest rate will still be low.
Unitholder	***Emilia Jeow Ah Eng***
Question 17	**Why is ESR Group Limited providing the 12 months Rental Support while the other owners are not providing any rental support?**
CEO	The main reason was because ESR Group Limited is our Sponsor and secondly, the purchase price has to be re-negotiated if the Fund Vendor and the third-party investors were to provide such rental support.

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

EXTRAORDINARY GENERAL MEETING
ATTENDANCE LIST

PLACE : Suntec Singapore Convention & Exhibition Centre, Level 3, Nicoll 2, 1 Raffles Boulevard, Singapore 039593 and by way of electronic means

DATE : Wednesday, 12 October 2022

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 Leong Horn Kee	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.	Chiang Wai Ming	Company Secretary, TMF Singapore H Pte. Ltd.
13.	Allen & Gledhill LLP	Legal Adviser
14.	Representative of RBC Investor Services Trust Singapore Limited	Trustee of ESR-LOGOS REIT
15.	Representative of Perpetual (Asia) Limited	Trustee for Viva Trust, sub-trust of ESR-LOGOS REIT
16.	Representative of HSBC Institutional Trust Services (Singapore) Limited	Trustee for ALOG Trust, sub-trust of ESR-LOGOS REIT