



7000 Ang Mo Kio Ave 5



8 Tuas South Lane



16 Tai Seng Street



3 Pioneer Sector 3



24 Jurong Port Road



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

MANAGED BY

**ESR FUNDS MANAGEMENT (S) LIMITED**

(Company Registration No.: 200512804G)

(Capital Markets Services Licence No.: CMS 100132-5)

**SOLE FINANCIAL ADVISER AND GLOBAL COORDINATOR TO THE EQUITY FUND RAISING**



**RHB Securities Singapore Pte. Ltd.**

**RHB SECURITIES SINGAPORE PTE. LTD.**

(Company Registration Number: 198701140E)

(Incorporated in the Republic of Singapore)

**CIRCULAR TO UNITHOLDERS IN RELATION TO:**

- (1) THE PROPOSED UNIT ISSUE SUPPLEMENT TO THE TRUST DEED;
- (2) THE PROPOSED ELECTRONIC COMMUNICATIONS SUPPLEMENT TO THE TRUST DEED; AND
- (3) THE TRANSFER OF A CONTROLLING INTEREST TO ESR CAYMAN LIMITED (THE "SPONSOR") UNDER THE CIRCUMSTANCES DESCRIBED HEREIN AS A RESULT OF THE EQUITY FUND RAISING

Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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

**IMPORTANT DATES AND TIMES FOR UNITHOLDERS**

<b>Last date and time for lodgment of Proxy Forms</b>	24 February 2018 (Saturday) at 10.00 a.m.
<b>Date and time of Extraordinary General Meeting</b>	27 February 2018 (Tuesday) at 10.00 a.m.
<b>Place of Extraordinary General Meeting</b>	Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Capitalised terms shall have the meanings ascribed to them in the section titled “Definitions” of this Circular.

## RESOLUTION 1: PROPOSED UNIT ISSUE SUPPLEMENT

### RATIONALE:

Align the provisions of the Trust Deed to the Listing Manual

Ensure consistency with the industry’s best practices

Avoid any potentially confusing situations where the requirements under the Trust Deed and the Listing Manual differ

Enable ESR-REIT to raise funds in a prompt and efficient manner and to better handle its capital requirements

	Relevant components of the Unit issue structure	Proposed Changes/ Limits set out in the Listing Manual under the proposed Unit issue structure
1	Issue price of a Unit for a <u>rights issue</u> (which includes the Preferential Offering)	Removal of existing specific limits and replaced by limits set out in accordance with Rule 816 of the Listing Manual as revised and updated from time to time. <ul style="list-style-type: none"> <li>Non-renounceable Rights Issue <ul style="list-style-type: none"> <li><u>No discount limits</u> (if specific Unitholder approval is sought);</li> <li><u>10% discount limit</u> (if issuance is made in reliance on general mandate obtained under Rule 806)</li> </ul> </li> <li>Renounceable Rights Issue <ul style="list-style-type: none"> <li><u>No limits</u> specified</li> </ul> </li> </ul>
2	Issue price of a Unit for any <u>reinvestment of distribution arrangement</u>	Removal of existing specific limits and replaced by limits set out in accordance with Rule 862 of the Listing Manual as revised and updated from time to time. <ul style="list-style-type: none"> <li>Issue price to be determined in accordance with a formula based on the market price, but any <u>discount must not exceed 10%</u> of the market price.</li> </ul>
3	Issue price of new Units issued <u>other than by way of rights issue offered on a pro rata basis</u> to all Unitholders	Removal of existing specific limits and replaced by limits set out in accordance with Rule 811 of the Listing Manual as revised and updated from time to time. <ul style="list-style-type: none"> <li>Issue price to be at not more than <u>10% discount</u>, unless specific Unitholders’ approval is obtained.</li> </ul>
4	Number of new Units issued <u>other than by way of rights issue offered on a pro rata basis</u> to all Unitholders	Removal of existing specific limits and replaced by limits set out in accordance with Rule 806 of the Listing Manual as revised and updated from time to time. <ul style="list-style-type: none"> <li><u>Aggregate number of units shall be not more than 20%</u> of total issued Units excluding treasury Units.</li> </ul>
5	Parties to whom Units may be issued for Units issued <u>other than by way of rights issue offered on a pro rata basis</u> to all Unitholders	Removal of existing specific limits and replaced by limits set out in accordance with Rule 812 of the Listing Manual as revised and updated from time to time. <ul style="list-style-type: none"> <li>An issue must not be placed to any of the following persons: <ol style="list-style-type: none"> <li>the issuer’s directors and substantial Unitholders;</li> <li>immediate family members of the directors and substantial Unitholders;</li> <li>substantial Unitholders, related companies, associated companies and sister companies of the issuer’s substantial Unitholders;</li> <li>corporations in whose shares the issuer’s directors and substantial Unitholders have an aggregate interest of at least 10%; and</li> <li>any person who, in the opinion of the SGX-ST, falls within the abovementioned categories (a) to (d).</li> </ol> </li> <li>The above will not apply if specific Unitholders’ approval for such a placement has been obtained and the person, and its associates, must abstain from voting on the resolution approving the placement. Rule 812(1)(a) will not apply in certain circumstances.</li> <li>The Exchange may agree to a placement to a person in Rule 812(1)(b), (c) or (d) if it is satisfied that the person is independent and is not under the control or influence of any of the issuer’s directors or substantial Unitholders.</li> </ul>
6	Level of Unitholders’ approval required for issuance of Units in numbers exceeding the limit (if any) set out in any applicable laws, regulations and the Listing Rules	Ordinary Resolution unless an Extraordinary Resolution is required by any applicable laws, regulations and the Listing Rules.

Please see paragraph 2 and Appendix A of this Circular for details on the proposed Unit Issue Supplement.

## RESOLUTION 2: PROPOSED ELECTRONIC COMMUNICATIONS SUPPLEMENT

The Listing Rules were amended on 31 March 2017 to allow issuers to electronically transmit certain types of notices and documents if express consent, deemed consent or implied consent of Unitholders is obtained, and subject to certain safeguards. These amendments were mainly for the purposes of alignment with certain provisions of the amended Companies Act.

### RATIONALE:

Provide flexibility to choose to receive documents from ESR-REIT either in the form of electronic communications or physical notice

Reduce operational costs and increase operational efficiency, which in turn could enhance economic returns to Unitholders

Increase speed and effectiveness of communications between Unitholders and ESR-REIT

Please see paragraph 3 and Appendix B of this Circular for details on the proposed Electronic Communications Supplement.



## RESOLUTION 3: TRANSFER OF A CONTROLLING INTEREST TO SPONSOR

On 14 December 2017, the Manager announced that the Trustee had acquired 80 issued and paid-up ordinary shares of 7000 AMK Pte. Ltd. (the “**Acquisition**”), which has a leasehold interest in the piece of land comprised in Lot 16070P of Mukim 18 known as 7000 Ang Mo Kio Avenue 5, Singapore 569877 from Ho Lee Properties Pte Ltd.

The Manager has initially funded the Total Acquisition Cost with internal cash resources, existing bank debt facilities and part of the proceeds of its subordinated perpetual securities issued on 3 November 2017. The Manager proposes to undertake the Equity Fund Raising to issue up to 263.0 million New Units, the proceeds of which will be used to reduce the debt facilities utilised to partially fund the Total Acquisition Cost.

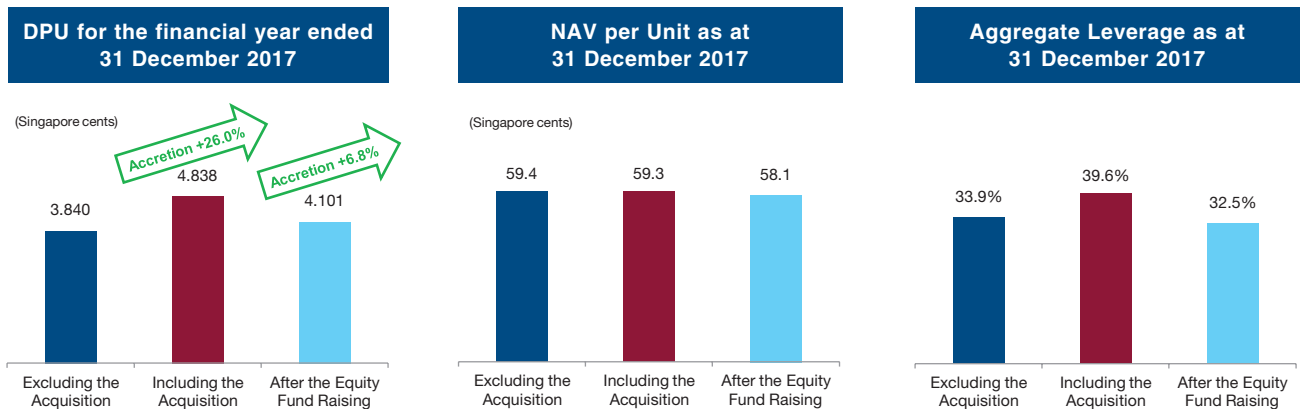
### RATIONALE FOR THE EQUITY FUND RAISING:

Efficient and overall beneficial method to maintain a well-balanced capital structure and debt level

Additional debt headroom to finance any future asset acquisitions and/or merger and acquisition activities

No approval of Unitholders is sought in respect of the Acquisition and/or the Equity Fund Raising.

### PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION (FOR ILLUSTRATIVE PURPOSES ONLY)



### SPONSOR'S UNDERTAKING:

To demonstrate its support for ESR-REIT and the Equity Fund Raising, the Sponsor has provided the Undertaking to the Manager, in the event that the Equity Fund Raising includes a Preferential Offering, it will:

(i) **Accept, or procure the acceptance, in full** of the provisional allocation of New Units based on its entitlement



(ii) Apply for the Sponsor Excess Units so that if it is fully allotted the Sponsor Excess Units, it will hold 14.9% of the total number of Units immediately following the completion of the Preferential Offering



(iii) Subject to the approval of Unitholders, **apply for the Sponsor Excess Units** equal to the aggregate number of Units to be issued pursuant to the Preferential Offering, if they remain unsubscribed after satisfaction of all applications for excess Units by Unitholders (other than the Sponsor), **subject to a maximum subscription amount under the Preferential Offering of S\$125.0 million**

For clarity, if Unitholders do not approve Resolution 3, the Sponsor would only be required to undertake (i) and (ii).

### ILLUSTRATION OF SPONSOR'S UNITHOLDING

	Before the issuance of the New Units under the Preferential Offering	Immediately after the issuance of the New Units under the Preferential Offering, assuming Sponsor is only able to hold up to 14.9% of the total number of Units in issue	Immediately after the issuance of the New Units under the Preferential Offering, assuming Unitholders approve Resolution 3 and the Sponsor is fully allotted the Sponsor Excess Units
Sponsor's Unitholding	12.4%	14.9%	25.7%
Total Amount Raised in the Equity Fund Raising	–	S\$20.7 million	\$125.1 million
Shortfall in amount raised	–	\$104.4 million	–
Aggregate Leverage	39.6%	38.6%	32.5%

### STRUCTURE OF THE EQUITY FUND RAISING

The structure and timing of the Equity Fund Raising have not been determined. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may (at the Manager's absolute discretion) comprise:

- a Private Placement of New Units to institutional and other investors; and/or
- a non-renounceable Preferential Offering of New Units to the existing Unitholders on a pro rata basis, which the Manager deems appropriate in the circumstances and after having considered the then prevailing market conditions.

Please see paragraph 4 of this Circular for further details on Resolution 3 and the Equity Fund Raising.

ESR-REIT has been listed on Singapore Exchange Securities Trading Limited since 25 July 2006.

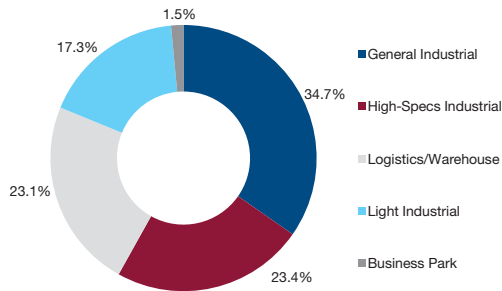
ESR-REIT invests in quality income-producing industrial properties and has a diversified portfolio of 48 properties located across Singapore, with a total gross floor area of approximately 9.9 million square feet and a property value of S\$1.68 billion as at 31 December 2017. The properties are in the following sub-asset classes: General Industrial, Light Industrial, Logistics/Warehouse, High-Specs Industrial and Business Park, and are located close to major transportation hubs and key industrial zones island-wide. As at 31 December 2017, ESR-REIT's portfolio occupancy was at 93.0% with a Weighted Average Lease Expiry ("WALE") of 4.3 years.

ESR Funds Management (S) Limited, the Manager of ESR-REIT, is owned by two stakeholders, namely, ESR Cayman Limited ("ESR") and Mitsui & Co., Ltd ("Mitsui"). Since ESR came on board as ESR-REIT's Sponsor in January 2017, ESR-REIT has continued its strategy of recycling capital by divesting selective assets, completing two acquisitions – 8 Tuas South Lane and 7000 Ang Mo Kio Ave 5 – and completed its inaugural perpetual security issuance.



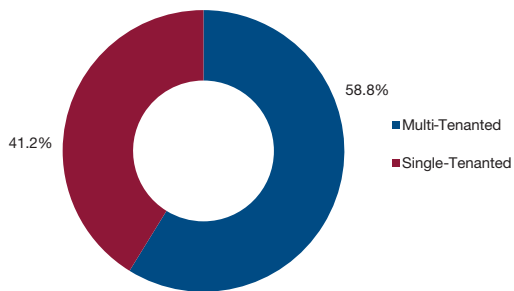
**Rental Income Breakdown by Asset Class (4Q2017)**

No one asset class accounts for more than 34.7% of ESR-REIT's Rental Income



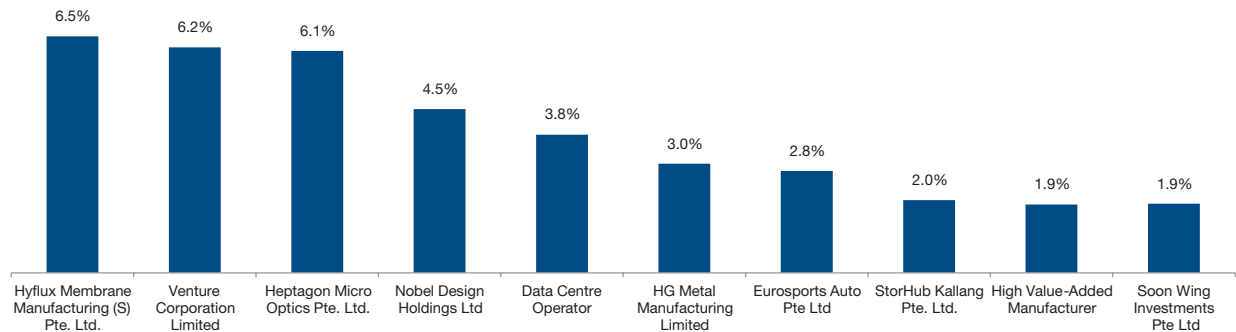
**Single-Tenanted vs. Multi-Tenanted by Rental Income (4Q2017)**

Portfolio is well-balanced between Single-Tenanted and Multi-Tenanted assets



**Top 10 Tenants by Rental Income (4Q2017)**

Top 10 Tenants Account for 38.7% of Rental Income



**Recent Corporate Actions: Recycling of Capital Towards Scalable and Value-Adding Assets**

**Divestment of Lower Yielding Non-Core Assets Above Valuation**

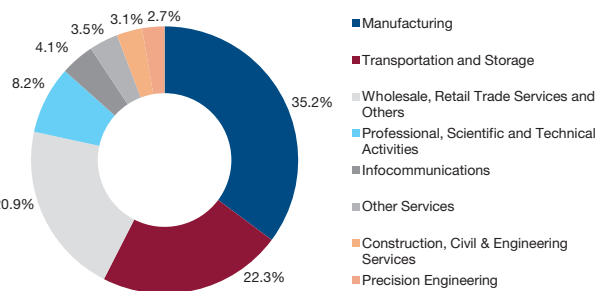


**Scalable and Value-Adding Acquisitions**



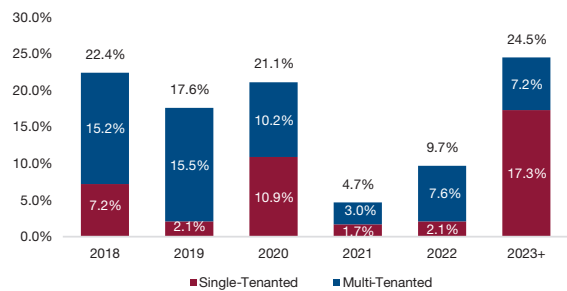
**Rental Income Breakdown by Industry Segment (4Q2017)**

No one trade sector accounts for more than 35.2% of ESR-REIT's Rental Income



**WALE by Rental Income (As at 31 December 2017)**

Portfolio WALE of 4.3 years





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## CORPORATE INFORMATION

Directors of ESR Funds Management (S) Limited (the manager of ESR-REIT) (the “ <b>Manager</b> ”)	:	Mr Ooi Eng Peng <i>(Independent Chairman, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee)</i>
		Mr Bruce Kendle Berry <i>(Independent Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee)</i>
		Mr Erle William Spratt <i>(Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee, Member of the Audit, Risk Management and Compliance Committee)</i>
		Mr Philip John Pearce <i>(Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee)</i>
		Mr Akihiro Noguchi <i>(Non-Executive Director)</i>
		Mr Jeffrey David Perlman <i>(Non-Executive Director, Member of the Nominating and Remuneration Committee)</i>
		Mr Jeffrey Shen Jinchu <i>(Non-Executive Director)</i>
		Mr Adrian Chui Wai Yin <i>(CEO and Executive Director)</i>
Registered Office of the Manager	:	138 Market Street #26-03/04 CapitaGreen Singapore 048946
Trustee of ESR-REIT (the “ <b>Trustee</b> ”)	:	RBC Investor Services Trust Singapore Limited 8 Marina View #26-01 Asia Square Tower 1 Singapore 018960
Sole Financial Adviser and Global Coordinator in relation to the Equity Fund Raising	:	RHB Securities Singapore Pte. Ltd. 10 Collyer Quay #09-08 Ocean Financial Centre Singapore 049315

Legal Adviser to the Manager : WongPartnership LLP  
12 Marina Boulevard Level 28  
Marina Bay Financial Centre Tower 3  
Singapore 018982

Legal Adviser to the Trustee : Lee & Lee  
50 Raffles Place  
#06-00 Singapore Land Tower  
Singapore 048623

Unit Registrar and Unit Transfer Office : B.A.C.S. Private Limited  
8 Robinson Road  
#03-00 ASO Building  
Singapore 048544

## DEFINITIONS

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

<b>“Acquisition”</b>	:	The acquisition of 80 issued and paid-up ordinary shares of 7000 AMK Pte. Ltd., which has a leasehold interest in the Property
<b>“ARE”</b>	:	The acceptance form for New Units provisionally allotted to entitled Unitholders under the Preferential Offering and application form for excess New Units
<b>“AssetCo”</b>	:	7000 AMK Pte. Ltd.
<b>“Authorised Investments”</b>	:	Has the meaning as defined in the Trust Deed
<b>“Authority”</b>	:	The Monetary Authority of Singapore
<b>“Business Day”</b>	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST is open for trading
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CEO”</b>	:	Chief executive officer
<b>“Circular”</b>	:	This circular to Unitholders dated 2 February 2018
<b>“Code”</b>	:	The Code on Collective Investment Schemes issued by the Authority, as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>“Completion”</b>	:	The completion of the Acquisition
<b>“Convertible Securities”</b>	:	Convertible securities (including but not limited to warrants) or other instruments which may be convertible into Units
<b>“Current Unit Value”</b>	:	At any time the Net Asset Value of the Deposited Property at that time divided by the number of Units in issue and deemed to be in issue at that time
<b>“Deposited Property”</b>	:	All the assets of ESR-REIT, including all its Authorised Investments for the time being held or deemed to be held upon the trusts of the Trust Deed
<b>“Directors”</b>	:	The directors of the Manager
<b>“DPU”</b>	:	Distribution per Unit



<b>“EGM”</b>	:	The extraordinary general meeting of Unitholders to be held on 27 February 2018 (Tuesday) at 10.00 a.m., notice of which is set out on page 47 of this Circular. As Extraordinary Resolutions are proposed to be passed at the meeting, the notice shall be sent to Unitholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting)
<b>“Electronic Communications Supplement”</b>	:	The proposed amendments to the Trust Deed as set out in Appendix B to this Circular
<b>“Equity Fund Raising”</b>	:	The proposed equity fund raising pursuant to which ESR-REIT will issue up to 263.0 million New Units
<b>“ESR-REIT” or “Trust”</b>	:	ESR-REIT, a unit trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended)
<b>“Extraordinary Resolution”</b>	:	A resolution proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
<b>“Illustrative Issue Price”</b>	:	The illustrative Issue Price of S\$0.530 per New Unit
<b>“Issue Price”</b>	:	The issue price of the New Units under the Equity Fund Raising
<b>“Latest Practicable Date”</b>	:	22 January 2018, being the latest practicable date prior to the printing of this Circular
<b>“Liabilities”</b>	:	All the liabilities of ESR-REIT (including liabilities accrued but not yet paid) and any provision which the Manager decides in consultation with the auditors of ESR-REIT should be taken into account in determining the liabilities of ESR-REIT
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>“Listing Rules”</b>	:	The listing rules of the SGX-ST set out in the Listing Manual
<b>“Manager”</b>	:	ESR Funds Management (S) Limited, solely in its capacity as manager of ESR-REIT

<b>“Market Price”</b>	:	The volume-weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days immediately preceding the relevant Business Day or (if the Manager believes that such calculation does not provide a fair reflection of the market price of a Unit) an amount as determined by the Manager and the Trustee (after consultation with a stockbroker approved by the Trustee), as being the fair market price of a Unit
<b>“NAV”</b>	:	Net asset value
<b>“Net Asset Value of the Deposited Property”</b>	:	At any time the Value of the Deposited Property, less the Liabilities
<b>“New Units”</b>	:	The new Units to be issued under the Equity Fund Raising
<b>“Ordinary Resolution”</b>	:	A resolution proposed and passed as such by a majority being greater than 50% or more 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
<b>“Performance Fee”</b>	:	The performance fee payable to the Manager, determined pursuant to the Trust Deed
<b>“Placement Agents”</b>	:	The placement agent(s) to be appointed in respect of the Equity Fund Raising, subject to the terms and conditions of the Placement Agreement
<b>“Placement Agreement”</b>	:	The management and underwriting agreement anticipated to be entered into between the Manager and the Placement Agents
<b>“Preferential Offering”</b>	:	A non-renounceable preferential offering of New Units to existing Unitholders on a pro rata basis under the Equity Fund Raising
<b>“Preliminary Charge”</b>	:	A charge upon the issue or sale of a Unit of such amount as shall from time to time be fixed by the Manager generally or in relation to any specific or class of transaction provided that it shall not exceed 5% of the issue price (excluding the Preliminary Charge) at the time of issue or sale of the Unit; such expression in the context of a given date shall refer to the charge or charges fixed by the Manager pursuant to the Trust Deed and applicable on that date, provided further that this charge shall not apply while the Units are listed
<b>“Private Placement”</b>	:	A placement of New Units to institutional and other investors under the Equity Fund Raising

<b>“Property”</b>	:	The piece of land comprised in Lot 16070P of Mukim 18 known as 7000 Ang Mo Kio Avenue 5, Singapore 569877 (together with the buildings and plant and equipment thereon)
<b>“Property Funds Guidelines”</b>	:	The investment guidelines issued by the Authority regulating collective investment schemes that invest or propose to invest in real estate and real estate-related assets in Appendix 6 to the Code, as the same may be modified, amended, supplemented, revised or replaced from time to time
<b>“REIT”</b>	:	Real estate investment trust
<b>“Securities Account”</b>	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Sole Financial Adviser and Global Coordinator”</b>	:	RHB Securities Singapore Pte. Ltd.
<b>“Sponsor”</b>	:	ESR Cayman Limited
<b>“Sponsor Excess Application”</b>	:	Such application by the Sponsor for the number of Sponsor Excess Units equal to the aggregate number of Units to be issued under the Preferential Offering, to the extent they remain unsubscribed after satisfaction of all applications (if any) for excess Units by Unitholders (other than the Sponsor), pursuant to the Undertaking
<b>“Sponsor Excess Units”</b>	:	Such excess Units to be applied for by the Sponsor under the Preferential Offering pursuant to the Undertaking
<b>“Total Acquisition Cost”</b>	:	The total acquisition cost for the Acquisition of approximately S\$243.5 million
<b>“Trust Deed”</b>	:	The deed of trust dated 31 March 2006 constituting ESR-REIT entered into between the Manager and the Trustee, as supplemented and amended by a first supplemental deed dated 15 August 2007, a second supplemental deed dated 28 January 2009, a third supplemental deed dated 13 November 2009, a fourth supplemental deed dated 27 January 2010, a fifth supplemental deed dated 22 April 2010, a sixth supplemental deed dated 2 February 2012, a seventh supplemental deed dated 18 November 2014, an eighth supplemental deed dated 27 May 2015, a ninth supplemental deed dated 15 March 2016, a tenth supplemental deed dated 15 March 2017 and an eleventh supplemental deed dated 20 June 2017
<b>“Trustee”</b>	:	RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT

<b>“Undertaking”</b>	:	The irrevocable undertaking dated 18 January 2018 provided by the Sponsor to the Manager as disclosed in paragraph 4.4 of this Circular
<b>“Unit”</b>	:	A unit representing an undivided interest in ESR-REIT
<b>“Unit Issue Supplement”</b>	:	The proposed amendments to the Trust Deed as set out in Part I of Appendix A to this Circular
<b>“Unitholder”</b>	:	The registered holder for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term <b>“Unitholder”</b> shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
<b>“Value”</b>	:	Except where otherwise expressly stated, means with reference to any Authorised Investment or the Deposited Property, its value for the time being as determined pursuant to the Trust Deed
<b>“Vendor”</b>	:	Ho Lee Properties Pte Ltd
<b>“%”</b>	:	Per centum or percentage
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore

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.

The terms **“associate”** and **“interested person”** shall have the meanings ascribed to them respectively in the Listing Manual.

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

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

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

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

## ESR-REIT

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

### Directors of the Manager:

Mr Ooi Eng Peng	<i>(Independent Chairman, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee)</i>
Mr Bruce Kendle Berry	<i>(Independent Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee)</i>
Mr Erle William Spratt	<i>(Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee, Member of the Audit, Risk Management and Compliance Committee)</i>
Mr Philip John Pearce	<i>(Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee)</i>
Mr Akihiro Noguchi	<i>(Non-Executive Director)</i>
Mr Jeffrey David Perlman	<i>(Non-Executive Director, Member of the Nominating and Remuneration Committee)</i>
Mr Jeffrey Shen Jinchu	<i>(Non-Executive Director)</i>
Mr Adrian Chui Wai Yin	<i>(CEO and Executive Director)</i>

### Registered Office:

138 Market Street  
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2 February 2018

To: Unitholders of ESR-REIT

Dear Sir/Madam

## 1. INTRODUCTION

### 1.1 Summary of Approvals Sought

The Manager is seeking approval from Unitholders on each of the following resolutions at the EGM:

- (a) the proposed Unit Issue Supplement to the Trust Deed;
- (b) the proposed Electronic Communications Supplement to the Trust Deed; and
- (c) the transfer of a controlling interest to the Sponsor under the circumstances described in greater detail in paragraph 4 of this Circular, pursuant to Rule 803 of the Listing Manual.

In respect of each of the resolutions referred to in (a) and (b) above, the Manager is seeking approval by way of Extraordinary Resolutions. In respect of the resolution referred to in (c) above, the Manager is seeking approval by way of an Ordinary Resolution.

## 1.2 Supplemental Deed

Unitholders' approval is being sought for the resolutions referred to in paragraphs 1.1(a) and 1.1(b) as the Manager is proposing to amend the Trust Deed. Subject to approval from the Unitholders in respect of all or any of such resolutions, the Manager intends to enter into a supplemental deed with the Trustee to amend the Trust Deed.

## 2. THE PROPOSED UNIT ISSUE SUPPLEMENT TO THE TRUST DEED

### 2.1 The Unit Issue Supplement

The Trust Deed currently provides, among others, that for so long as ESR-REIT is listed, without prior approval of Unitholders:

- (a) the issue price of a Unit for a rights issue offered on a pro rata basis to all Unitholders must not be less than 50% (or such other percentage as may be permitted by, *inter alia*, the SGX-ST) of the prevailing Market Price;
- (b) the issue price of a Unit for any reinvestment of distribution arrangement must not be less than 90% of the prevailing Market Price;
- (c) new Units may be issued other than by way of a rights issue offered on a pro rata basis to all Unitholders provided that:
  - (i) the issue (together with any other issue of Units other than by way of a rights issue offered on a pro rata basis to all Unitholders in the same financial year) would not, immediately after the issue, exceed 10% of the Value of the Deposited Property provided that the number of Units which would be represented by such percentage does not exceed 20% of the total Units<sup>1</sup>; and
  - (ii) where such an issue is made at a discount to the Market Price, the discount does not exceed 5%; and
- (d) except in the case of an issue of Units to the Manager in payment of the Manager's base fee and/or Performance Fee:
  - (i) the Trustee and/or its related parties;
  - (ii) the Manager and/or its related parties; and
  - (iii) the directors of the Trustee, the Directors and/or their immediate family members,may not participate in the issue of Units other than by way of a rights issue offered on a pro rata basis to all existing Unitholders.

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<sup>1</sup> As at 31 December 2017, 10% of the Value of the Deposited Property would amount to approximately S\$169,580,000, while 20% of the total Units would amount to approximately 262,724,662 Units.



In addition, the Trust Deed also provides that where specific approval of Unitholders is required in respect of the issue of Units in certain circumstances (such as where the thresholds under paragraph 2.1(c) above are exceeded<sup>2</sup>), the Manager is required to obtain Unitholders' approval by way of an Extraordinary Resolution instead of an Ordinary Resolution.

In connection with the above, and subject to the approval of Unitholders, the Manager proposes to supplement the Trust Deed with the Unit Issue Supplement by:

- (A) removing the existing specific limits on the issue price of a Unit offered by way of a pro rata rights issue, a distribution reinvestment plan or other than by way of a pro rata rights issue and instead requiring the Manager to comply with the Listing Manual as revised and updated from time to time, when determining the issue price of a Unit;
- (B) removing the provisions which restrict the number of Units which may be issued other than by way of a rights issue offered on a pro rata basis without Unitholders' approval, to 10% of the Value of the Deposited Property and limit the corresponding discount, if any, to 5% of the Market Price of a Unit. The Manager will instead be required to comply with the Listing Manual which sets out when specific Unitholders' approval is required for an issue of new Units and/or Convertible Securities;
- (C) removing the provisions which restrict the issue of Units to the Manager and/or its related parties, and the Directors and/or their immediate family members. The Manager will instead be required to comply with the Listing Manual which sets out when placements of Units may be made to certain restricted places; and
- (D) removing the provisions which require specific approval of Unitholders in respect of an issue of Units (whether in situations where the thresholds under paragraph 2.1(c) above are exceeded or where the issuance of Units in numbers exceeds the limit (if any) set out in any applicable laws, regulations and the Listing Rules) to be by way of an Extraordinary Resolution.

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<sup>2</sup> For the avoidance of doubt, the current Trust Deed does not provide that Unitholders' approval by way of an Extraordinary Resolution is required in respect of the issue of Units in the circumstances set out in paragraphs 2.1(a) to (d) above, save where the thresholds under paragraph 2.1(c) are exceeded.

The proposed changes to the Trust Deed are summarised in the table below.

Relevant components of the Unit issue structure	Specific limits under the current Unit issue structure	Proposed Changes/Limits set out in the Listing Manual under the proposed Unit issue structure
<p>Issue price of a Unit for a <u>rights issue</u> (which includes the Preferential Offering)</p>	<p>Must not be less than <u>50%</u> (or such other percentage permitted by, <i>inter alia</i>, the SGX-ST) of the prevailing Market Price.</p> <p>No distinction is made between non-renounceable and renounceable rights issue.</p>	<p>Removal of existing specific limits and replaced by the limits set out in the Listing Manual as revised and updated from time to time.</p> <p>As at the Latest Practicable Date, the limits set out in the Listing Manual on issue price for rights issues are as follows:</p> <ul style="list-style-type: none"> <li>– Non-renounceable Rights Issue: <ul style="list-style-type: none"> <li>• Rule 816(2)(a)(i) – <u>no discount limits</u> if specific Unitholder approval is sought.</li> <li>• Rule 816(2)(a)(ii) – <u>10% discount limit</u> if issuance is made in reliance on general mandate obtained under Rule 806.</li> </ul> </li> <li>– Renounceable Rights Issue: <ul style="list-style-type: none"> <li>• <u>No limits</u> specified as to issue price.</li> </ul> </li> </ul>

Relevant components of the Unit issue structure	Specific limits under the current Unit issue structure	Proposed Changes/Limits set out in the Listing Manual under the proposed Unit issue structure
Issue price of a Unit for any <u>reinvestment of distribution arrangement</u>	Must not be less than <u>90%</u> of the prevailing Market Price.	<p>Removal of existing specific limits and replaced by the limits set out in the Listing Manual (applicable under Part IX Scrip Dividend Schemes of the Listing Manual) as revised and updated from time to time.</p> <p>As at the Latest Practicable Date, the limits set out in the Listing Manual on issue price are as follows:</p> <ul style="list-style-type: none"> <li>– Scrip Dividend Schemes (as applicable to any reinvestment of distribution arrangement): <ul style="list-style-type: none"> <li>• Rule 862(4) – The issue price of Units allotted pursuant to the reinvestment of distribution arrangement must be determined in accordance with a formula based on the market price, but any <u>discount must not exceed 10%</u> of the market price.</li> </ul> </li> </ul>
Issue price of new Units issued <u>other than by way of rights issue offered on a pro rata basis</u> to all Unitholders	Where such an issue is made at a discount to the Market Price, the <u>discount does not exceed 5%</u> .	<p>Removal of existing specific limits and replaced by the limits set out in the Listing Manual as revised and updated from time to time.</p> <p>As at the Latest Practicable Date, the limits set out in the Listing Manual on issue price are as follows:</p> <ul style="list-style-type: none"> <li>– Issue of Units other than by way of rights issue offered on a pro rata basis: <ul style="list-style-type: none"> <li>• Rule 811(1) – not more than <u>10% discount</u>, unless specific Unitholders' approval is obtained pursuant to Rule 811(3).</li> </ul> </li> </ul>

Relevant components of the Unit issue structure	Specific limits under the current Unit issue structure	Proposed Changes/Limits set out in the Listing Manual under the proposed Unit issue structure
<p>Number of new Units issued <u>other than by way of rights issue offered on a pro rata basis to all Unitholders</u></p>	<p>The issue (together with any other issue of Units other than by way of a rights issue in the same financial year) <u>must not, immediately after the issue, exceed 10% of the Value of Deposited Property provided that the number of Units which would be represented by such percentage does not exceed 20% of the total Units.</u></p>	<p>Removal of existing specific limits and replaced by the limits set out in the Listing Manual as revised and updated from time to time.</p> <p>As at the Latest Practicable Date, the limits set out in the Listing Manual on the number of new Units to be issued are as follows:</p> <ul style="list-style-type: none"> <li>– Issue of Units other than by way of rights issue offered on a pro rata basis: <ul style="list-style-type: none"> <li>• <u>Rule 806(2) – aggregate number of Units shall be not more than 20% of total issued Units excluding treasury Units.</u></li> </ul> </li> </ul>

Relevant components of the Unit issue structure	Specific limits under the current Unit issue structure	Proposed Changes/Limits set out in the Listing Manual under the proposed Unit issue structure
<p>Parties to whom Units may be issued for Units issued <u>other than by way of rights issue offered on a pro rata basis</u> to all Unitholders</p>	<p>The existing restrictions provide, <i>inter alia</i>, that except for an issuance of Units to the Manager in payment of its base fee and/or performance fee, the following persons may not participate in an issue of Units other than by way of a rights issue offered on a pro rata basis:</p> <ul style="list-style-type: none"> <li>– the Trustee and/or its related parties;</li> <li>– the Manager and/or its related parties; and</li> <li>– the directors of the Trustee, the directors of the Manager and/or their immediate family members,</li> </ul> <p>unless specific Unitholders' approval by Ordinary Resolution (at which certain persons are to abstain from voting) has been obtained.</p>	<p>Removal of existing restrictions on placements of Units to the Manager and/or its related parties, and the Directors and/or their immediate family members. Such persons will be subject to the restrictions set out in the Listing Manual as revised and updated from time to time.</p> <p>As at the Latest Practicable Date, the Listing Manual restrictions on placements of Units to certain persons are as follows:</p> <ul style="list-style-type: none"> <li>– Issue of Units other than by way of rights issue: <ul style="list-style-type: none"> <li>• Rule 812(1) – an issue must not be placed to any of the following persons: <ul style="list-style-type: none"> <li>(a) the issuer's directors and substantial Unitholders;</li> <li>(b) immediate family members of the directors and substantial Unitholders;</li> <li>(c) substantial Unitholders, related companies, associated companies and sister companies of the issuer's substantial Unitholders;</li> <li>(d) corporations in whose shares the issuer's directors and substantial Unitholders have an aggregate interest of at least 10%; and</li> <li>(e) any person who, in the opinion of the SGX-ST, falls within the abovementioned categories (a) to (d).</li> </ul> </li> </ul> </li> </ul>

Relevant components of the Unit issue structure	Specific limits under the current Unit issue structure	Proposed Changes/Limits set out in the Listing Manual under the proposed Unit issue structure
		<ul style="list-style-type: none"> <li>• Rule 812(2) – Rule 812(1) will not apply if specific Unitholders’ approval for such a placement has been obtained. The abovementioned persons, and their associates (as defined under the Listing Manual) must abstain from voting on the resolution approving the placement.</li> <li>• Rule 812(3) – Rule 812(1)(a) will not apply in certain circumstances.</li> <li>• Rule 812(4) – SGX-ST may agree to a placement to a person in Rule 812(1)(b), (c) or (d) if it is satisfied that the person is independent and is not under the control or influence of any of the issuer’s directors or substantial Unitholders.</li> </ul>
Level of Unitholders’ approval required for issuance of Units in numbers exceeding the limit (if any) set out in any applicable laws, regulations and the Listing Rules	<u>Extraordinary Resolution</u>	<u>Ordinary Resolution</u> unless an Extraordinary Resolution is required by any applicable laws, regulations and the Listing Rules.

For so long as ESR-REIT is listed, the Manager will comply with any applicable laws, regulations and the rules of the SGX-ST for the time being applicable in relation to issuances of Units.

For the avoidance of doubt, the current provisions in the Trust Deed restricting the issue of Units to the Trustee and/or its related parties and the directors of the Trustee and/or their immediate family members remain unchanged.

In the event that ESR-REIT is delisted, Clause 5.4 of the Trust Deed currently provides, *inter alia*, that the Manager may issue Units at an issue price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property. There are no proposed amendments to Clause 5.4 of the Trust Deed.



## **2.2 Rationale for the Unit Issue Supplement**

The Manager is of the view that the proposed amendments set out below are consistent with the industry's best practices and will also serve to align the provisions of the Trust Deed to the Listing Manual. This is intended to enable ESR-REIT to raise funds in a prompt and efficient manner and to better handle its capital requirements, as well as to avoid any potentially confusing situations where the requirements under the Trust Deed and the Listing Manual differ.

Accordingly, the Manager proposes to supplement the Trust Deed with the Unit Issue Supplement to provide the Manager with the flexibility to, among others:

- (a) determine the issue price for new Units, regardless of whether such Units are issued pursuant to a pro rata rights issue, a reinvestment of distribution arrangement or other than by way of a pro rata rights issue, so long as such issue price complies with the Listing Manual;
- (b) determine the number of new Units to be issued, regardless of whether such Units are issued other than by way of a pro rata rights issue, so long as such issuance of new Units complies with the Listing Manual; and
- (c) obtain Unitholders' approval for the issue of Units, where such approval is required by way of an Extraordinary Resolution, by way of an Ordinary Resolution instead.

Please see Part I of Appendix A for further details of the Unit Issue Supplement. For reference, Clauses 5.2 to 5.4 of the Trust Deed have been reproduced in full in Part II of Appendix A.

## **3. THE PROPOSED ELECTRONIC COMMUNICATIONS SUPPLEMENT TO THE TRUST DEED**

### **3.1 Background**

The Listing Rules were amended on 31 March 2017 to allow issuers to electronically transmit certain types of notices and documents if express consent, deemed consent or implied consent of Unitholders is obtained, and subject to certain safeguards. These amendments were mainly for the purposes of alignment with certain provisions of the Companies (Amendment) Act 2014 which amended the Companies Act.

#### **3.1.1 Electronic Communications Regime**

Under Part IV of Chapter 12 of the Listing Rules:

- (a) Express consent: a Unitholder has given express consent if he expressly agrees that such notice or document may be given, sent or served to him using electronic communications.
- (b) Deemed consent: a Unitholder shall be deemed to have consented to the use of electronic communications of documents, including circulars and annual reports, if the Trust Deed (i) provides for the use of electronic communications; (ii) specifies the manner in which electronic communications is to be used; and (iii) specifies that the Unitholder will be given an opportunity to elect within a specified period of time, whether to receive such documents by way of electronic communications or as a physical copy. In addition, the Unitholder must have been separately notified directly in writing on at least one occasion that (A) the Unitholder can elect within the specified

time whether to receive documents either electronically or by way of a physical copy; (B) if a Unitholder does not make an election, documents will be sent to the Unitholder electronically; (C) electronic communications will be used in the manner specified in the Trust Deed; (D) that the election is a standing election, but the Unitholder may make a fresh election at any time; and (E) until the Unitholder makes a fresh election, the Unitholder's latest election to receive documents will prevail over the Unitholder's earlier elections.

- (c) Implied consent: a Unitholder has given implied consent to the use of electronic communications of documents, including circulars and annual reports, if the Trust Deed (i) provides for the use of electronic communications; (ii) specifies the manner in which electronic communications are to be used; and (iii) specifies that the Unitholder shall agree to receive such document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such documents.

### **3.1.2 Safeguards to Unitholders**

The Listing Rules contain provisions to safeguard the interests of Unitholders. These include:

- (a) excluding the use of electronic communications for certain documents, such as forms or acceptance letters that Unitholders may be required to complete, notices of meetings (excluding circulars or letters referred to in that notice), notices and documents relating to takeover offers and rights issues, and notices relating to paragraph 3.1.2(b) below; and
- (b) where implied consent or deemed consent is obtained from the Unitholder and an issuer uses electronic communications to send a document to a Unitholder, it is provided that an issuer shall:
  - (i) inform the Unitholder as soon as practicable of how to request a physical copy of the document that has been transmitted by electronic communications, and to provide a physical copy upon any such requests; and
  - (ii) where it uses website publication as the form of electronic communications, give separate physical notification to Unitholders to notify of:
    - (A) the publication of the document on the website;
    - (B) if the document is not available on the website on the date of the notification, the date on which it will be available;
    - (C) the address of the website;
    - (D) the place on the website where the document may be accessed; and
    - (E) how to access the document.

**UNITHOLDERS SHOULD NOTE THAT BY APPROVING THE RESOLUTION IN RELATION TO THE PROPOSED ELECTRONIC COMMUNICATIONS SUPPLEMENT, THEY ARE ALSO DEEMED TO HAVE APPROVED TO HAVE THE MANAGER ADOPT THE USE OF THE IMPLIED CONSENT REGIME AND DEEMED CONSENT REGIME, SUBJECT TO ANY SUBSEQUENT AMENDMENTS TO THE LISTING RULES.**

### 3.2 The Electronic Communications Supplement

Based on the existing terms of the Trust Deed, any notices required to be served upon Unitholders shall be sent to Unitholders by way of physical copies. The Trust Deed does not currently contain any provisions to give, send or serve notices or documents to Unitholders through electronic communications.

In connection with the above, and subject to the approval of Unitholders, the Manager proposes to supplement the Trust Deed with the Electronic Communications Supplement by:

- (a) providing that notices or documents may be sent by electronic communications to the current address of a Unitholder, or by making such notices or documents available on a website;
- (b) the Manager may at its discretion give a Unitholder an opportunity to elect within a timeframe whether to receive notices or documents by way of electronic communications or physical copy. Where the Unitholder fails to respond within the said timeframe, he is deemed to have consented to such notices or documents by electronic communications (for the avoidance of doubt, this relates to “Deemed Consent” as described in paragraph 3.1.1(b) above); and
- (c) a Unitholder shall be deemed to have agreed to receive notices or documents by way of electronic communications and shall not have a right to elect to receive physical copies of the same (for the avoidance of doubt, this relates to “Implied Consent” as described in paragraph 3.1.1(c) above).

The amendments proposed in the Electronic Communications Supplement will be subject to the safeguards to Unitholders provided under the Listing Rules (as described in paragraph 3.1.2 above). Please see Appendix B for further details of the Electronic Communications Supplement.

### 3.3 Rationale for the Electronic Communications Supplement

The Manager believes that the Electronic Communications Supplement will provide flexibility for Unitholders to choose to receive documents given, sent or served by ESR-REIT either in the form of electronic communications or physical notice.

Allowing for the use of electronic communications to give, send or serve documents to Unitholders will also enable ESR-REIT to reduce operational costs and increase operational efficiency, which in turn could enhance the economic returns to Unitholders. This would also allow for an increase in the speed in communications, which could provide for more effective communications between Unitholders and ESR-REIT.

## 4. THE TRANSFER OF A CONTROLLING INTEREST TO THE SPONSOR PURSUANT TO RULE 803 OF THE LISTING MANUAL

On 14 December 2017, the Manager announced that the Trustee had entered into a put and call option agreement with Ho Lee Properties Pte Ltd (the “Vendor”) and, pursuant to an immediate exercise by the Trustee of its call option thereunder, acquired 80 issued and paid-up ordinary shares (the “Acquisition”) of 7000 AMK Pte. Ltd. (the “AssetCo”), which has a leasehold interest in the piece of land comprised in Lot 16070P of Mukim 18 known as 7000 Ang Mo Kio Avenue 5, Singapore 569877 (together with the buildings and plant and equipment thereon) (the “Property”), from the Vendor. The purchase consideration for the Acquisition is summarised in detail in the announcement dated 14 December 2017 in

relation to the Acquisition and the Equity Fund Raising (as defined below). Upon completion of the Acquisition (the “**Completion**”), the Trustee holds 80% of the share capital of the AssetCo and the remaining 20% of the share capital of the AssetCo is held by the Vendor.

The Manager also announced that ESR-REIT will issue up to 263.0 million new Units (the “**New Units**”) pursuant to an equity fund raising (the “**Equity Fund Raising**”), which will be used to reduce the debt facilities utilised to partially fund the total cost of the Acquisition of approximately S\$243.5 million (the “**Total Acquisition Cost**”).

The New Units to be issued pursuant to the Equity Fund Raising will be within the limits of the general mandate given by Unitholders at the most recent annual general meeting of ESR-REIT held on 25 April 2017, and therefore, the Manager does not intend to seek specific Unitholders’ approval in respect of the Equity Fund Raising.

**For clarity, Unitholders’ approval is being sought in respect of the transfer of a controlling interest to the Sponsor pursuant to Rule 803 of the Listing Manual (which is further elaborated in paragraph 4.4 below) only. No approval of Unitholders is sought in respect of the Acquisition and/or the Equity Fund Raising.**

#### **4.1 The Acquisition**

The Vendor is a real estate developer incorporated in Singapore on 27 May 1999 and was the sole shareholder of the AssetCo prior to Completion. The AssetCo was incorporated in Singapore on 20 December 2010 and holds 100% of the leasehold interest in the Property.

Situated within the Serangoon North Industrial Estate, the Property is easily accessible by Ang Mo Kio Avenue 5 and Serangoon North Avenue 6. It comprises a 6-storey multi-tenanted high-specifications production block and a 5-storey multi-tenanted ancillary office block connected by a covered linkway. The interest held by the AssetCo in respect of the Property is a leasehold estate of 32 years commencing on 30 January 1995 with an option to renew for a further term of 30 years.

The Property has a gross floor area of approximately 1,073,233 square feet and a net lettable area of approximately 834,783 square feet and has an occupancy of approximately 91.9% as at 1 December 2017.

The Manager has initially funded the Total Acquisition Cost with internal cash resources of approximately S\$29.0 million, existing bank debt facilities of approximately S\$182.0 million and part of the proceeds of its subordinated perpetual securities issued on 3 November 2017 of approximately S\$32.8 million.

The Manager proposes to undertake the Equity Fund Raising to issue up to 263.0 million New Units, the proceeds of which will be used to reduce the debt facilities utilised to partially fund the Total Acquisition Cost.

## 4.2 The Financial Effects of the Acquisition

The Acquisition is regarded as being in the ordinary course of business for the following reasons:

- (a) the Property owned by the AssetCo is in the same asset class as the properties currently held by ESR-REIT and within the same geographical market;
- (b) the Acquisition is within ESR-REIT's current investment mandate and acquiring the AssetCo was just an expansion of ESR-REIT's existing core business of investing in Singapore-based industrial properties;
- (c) the Acquisition is not expected to have any significant adverse impact on the earnings, working capital and gearing of ESR-REIT as the Manager expects that the Acquisition will be yield accretive and improve the DPU to Unitholders<sup>1</sup>; and
- (d) the Manager is of the view that the Acquisition does not result in a material change to the risk profile of ESR-REIT.

In view of the above, Chapter 10 of the Listing Manual is not applicable to the Acquisition and ESR-REIT is thus neither required to disclose the illustrative financial effects of the Acquisition as prescribed in Chapter 10 of the Listing Manual nor required to seek the approval of Unitholders for the Acquisition. However, the financial effects of the Acquisition, using the latest unaudited financial statements being as at 31 December 2017 and based on the guidelines in Chapter 10 of the Listing Manual, are set out in the illustrative examples below for Unitholders' reference and ease of comparison.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on the distribution per Unit ("DPU") and the net asset value ("NAV") per Unit presented below are strictly for illustrative purposes only and were prepared based on the latest unaudited financial statements for ESR-REIT for the financial year ended 31 December 2017, taking into account the following:

- (a) Total Acquisition Cost was funded and paid out of internal cash resources, existing bank debt facilities and part of the proceeds from its subordinated perpetual securities. The subordinated perpetual securities were issued on 3 November 2017; and
- (b) assuming that 236.0 million New Units are issued at the illustrative issue price of S\$0.530 per New Unit (the "**Illustrative Issue Price**"), pursuant to the Equity Fund Raising, raising estimated gross proceeds of approximately S\$125.1 million.

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<sup>1</sup> Please refer to paragraph 4.2.2 below for the pro forma financial effects of the Acquisition on ESR-REIT's DPU for the financial year ended 31 December 2017.

#### 4.2.1 Pro Forma NAV

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 December 2017, as if the Acquisition and the issuance of New Units pursuant to the Equity Fund Raising (where applicable) were completed on 31 December 2017, are as follows:

	Excluding the Acquisition <sup>(1)</sup>	Including the Acquisition <sup>(2)</sup>	After the Equity Fund Raising
NAV (S\$'000)	779,829	778,424	900,377
Issued Units ('000)	1,313,623 <sup>(3)</sup>	1,313,623	1,549,623 <sup>(4)</sup>
NAV per Unit (cents)	59.4	59.3	58.1

**Notes:**

- (1) Refers to the pro forma removal of all assets, liabilities, sources of funds, revenues and expenses relating to the Acquisition.
- (2) Includes the assets and liabilities relating to the Acquisition as at Completion.
- (3) Refers to the number of Units in issue as at 31 December 2017.
- (4) Includes 236.0 million New Units issued at the Illustrative Issue Price of S\$0.530 per New Unit.

#### 4.2.2 Pro Forma DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on ESR-REIT's DPU for the financial year ended 31 December 2017, as if the Acquisition and issuance of New Units pursuant to the Equity Fund Raising (where applicable) were completed on 1 January 2017, and ESR-REIT held an 80% interest in the Property and operated the Property throughout the period, are as follows:

	Excluding the Acquisition <sup>(1)</sup>	Including the Acquisition <sup>(2)</sup>	After the Equity Fund Raising
Distributable Income (S\$'000)	50,442	63,555	63,555
Issued Units ('000)	1,313,623 <sup>(3)</sup>	1,313,623	1,549,623 <sup>(4)</sup>
DPU (cents)	3.840	4.838	4.101

**Notes:**

- (1) Refers to the pro forma removal of all sources of funds, revenues and expenses relating to the Acquisition.
- (2) Includes the revenues and expenses relating to the Acquisition, assuming that the Acquisition was completed on 1 January 2017 and funded with internal cash resources, existing debt facilities and part of the proceeds from subordinated perpetual securities which were issued on 3 November 2017.
- (3) Reflects the applicable number of Units for the calculation of DPU as at 31 December 2017.
- (4) Includes 236.0 million New Units issued at the Illustrative Issue Price of S\$0.530 per New Unit.



### 4.2.3 Pro Forma Capitalisation

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on the capitalisation of ESR-REIT as at 31 December 2017, as if the Acquisition and the issuance of New Units pursuant to the Equity Fund Raising (where applicable) were completed on 31 December 2017, are as follows:

	Excluding the Acquisition <sup>(1)</sup>	Including the Acquisition <sup>(2)</sup>	After the Equity Fund Raising
Gross Debt (S\$'000)	490,000	672,000	550,047
Total Deposited Property (S\$'000) <sup>(3)</sup>	1,445,573	1,695,250	1,695,250
Aggregate Leverage (%)	33.9%	39.6%	32.5%

**Notes:**

- (1) Refers to the pro forma removal of all assets, liabilities, sources of funds, revenues and expenses relating to the Acquisition.
- (2) Includes the assets and liabilities relating to the Acquisition as at Completion.
- (3) Total Deposited Property refers to the value of ESR-REIT's total assets as at 31 December 2017.

### 4.3 Equity Fund Raising

The Manager proposes to issue up to 263.0 million New Units pursuant to the Equity Fund Raising to reduce the debt facilities utilised to partially fund the Total Acquisition Cost. The New Units represent approximately 20.0% of the existing total issued units in ESR-REIT. The New Units to be issued pursuant to the Equity Fund Raising will be within the limits of the general mandate given by Unitholders at the most recent annual general meeting of ESR-REIT held on 25 April 2017, and therefore, the Manager does not intend to seek specific Unitholders' approval in respect of the Equity Fund Raising.

RHB Securities Singapore Pte. Ltd. has been appointed as the Sole Financial Adviser and Global Coordinator in respect of the Equity Fund Raising.

#### 4.3.1 Structure of the Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may (at the Manager's absolute discretion) comprise:

- (a) a Private Placement of New Units to institutional and other investors; and/or
- (b) a non-renounceable Preferential Offering of New Units to the existing Unitholders on a pro rata basis,

which the Manager deems appropriate in the circumstances and after having considered the then prevailing market conditions.

In the event that the Equity Fund Raising shall comprise a Private Placement and a Preferential Offering, the Issue Price of New Units pursuant to the Private Placement may differ from the Issue Price of New Units pursuant to the Preferential Offering.

Unitholders should note that the New Units offered under the Preferential Offering (if undertaken by the Manager) will be on a non-renounceable basis. The ARE<sup>1</sup> will not be renounceable or transferable and will be for use only by entitled Unitholders.

The Manager will work with the Sole Financial Adviser and Global Coordinator to determine the structure of the Equity Fund Raising, the time schedule for the Equity Fund Raising and the Issue Price of the Preferential Offering, after taking into account market conditions and other factors that the Manager and the Sole Financial Adviser and Global Coordinator may consider relevant. The Issue Price of the Private Placement under the Equity Fund Raising will be determined by the Manager and the Placement Agents closer to the date of commencement of the Equity Fund Raising, after taking into account market conditions and other factors that the Manager and the Placement Agents may consider relevant. The Manager will announce details of the Equity Fund Raising at the appropriate time.

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

The structure and timetable of the Equity Fund Raising and the Issue Price will be determined in accordance with, among others, Chapter 8 of the Listing Manual. Subject to the requirements of the Trust Deed<sup>2</sup>, the Issue Price for New Units under the Private Placement and/or Preferential Offering will comply with Rules 811(1) and 811(5) and/or Rule 816(2)(a)(ii) of the Listing Manual (as the case may be), 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 management and underwriting agreement to be entered into between the Manager and the Placement Agents (the "**Placement Agreement**") is signed or on which the Equity Fund Raising is announced (as the case may be), or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Placement Agreement is signed or on which the Equity Fund Raising is announced (as the case may be), excluding (where applicable) accrued distributions provided that the holders of the New Units are not entitled to the accrued distributions.

The unitholding interest of existing Unitholders may be diluted by the issue of New Units in the event that the Manager issues New Units under the Equity Fund Raising and such existing Unitholders do not participate, or do not have the opportunity to participate, in the Equity Fund Raising.

To demonstrate its support for ESR-REIT and the Equity Fund Raising, the Sponsor has provided the Undertaking to the Manager, in the event that the Equity Fund Raising includes a Preferential Offering, it will (i) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement, (ii) apply for the Sponsor Excess Units, and (iii) subject to the approval of Unitholders having been obtained, exercise the Sponsor Excess Application, provided that its total subscription under the Preferential Offering will not exceed S\$125.0 million. Please refer to paragraph 4.4 below for further details on the Undertaking.

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

2 The Trust Deed currently provides, among others, that for so long as ESR-REIT is listed, without prior approval of Unitholders:

- (a) the issue price of a Unit for a rights issue offered on a pro rata basis to all Unitholders must not be less than 50% (or such other percentage as may be permitted by, *inter alia*, the SGX-ST) of the prevailing Market Price; and
- (b) new Units may be issued other than by way of a rights issue offered on a pro rata basis to all Unitholders provided that where such an issue is made at a discount to the Market Price, the discount does not exceed 5%.

In the event that the Equity Fund Raising comprises a Private Placement, it is contemplated that any Placement Agent appointed in respect of the Equity Fund Raising will, subject to the terms and conditions of the Placement Agreement, place out, or failing which subscribe for the New Units to be issued pursuant to the Private Placement.

In the event that the Equity Fund Raising comprises a Preferential Offering, it is contemplated that the Preferential Offering will not be underwritten. Given the provision of the Undertaking by the Sponsor, the Manager is of the view that there is no requirement for the Preferential Offering to be underwritten.

**The Equity Fund Raising is subject to, among others, prevailing market conditions and other terms of the Equity Fund Raising, including the Issue Price of the New Units.**

#### **4.3.2 Rationale for the Equity Fund Raising**

The Manager believes that the Equity Fund Raising is an efficient and overall beneficial method of ensuring that ESR-REIT maintains a well-balanced capital structure and debt level, given the borrowing limit imposed by the Authority on property funds such as ESR-REIT. As the net proceeds from the Equity Fund Raising will be used to reduce the debt facilities utilised to partially fund the Total Acquisition Cost, ESR-REIT would have additional debt headroom to finance any future asset acquisitions and/or merger and acquisition activities.

#### **4.3.3 SGX-ST Approval**

On 22 January 2018, the SGX-ST granted its approval in-principle for the Equity Fund Raising and the listing of and quotation for the New Units on the Main Board of the SGX-ST, subject to the following:

- (a) compliance with the SGX-ST's listing requirements;
- (b) compliance with the provisions of the Trust Deed;
- (c) in respect of the Private Placement,
  - (i) compliance with the SGX-ST's listing requirements, including Rules 803, 806, 811(1) and 811(5) of the Listing Manual; and
  - (ii) submission of:
    - (A) 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 Private Placement 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;
    - (B) a written undertaking from the Manager that it will comply with Rule 803 of the Listing Manual;
    - (C) a written undertaking from the Placement Agents that they will ensure that ESR-REIT will comply with Rule 803 of the Listing Manual;

- (D) a written confirmation from the Manager that it will not issue the New Units to persons prohibited under Rule 812(1) of the Listing Manual; and
  - (E) a written confirmation from the Placement Agents that the New Units will not be placed out to persons prohibited under Rule 812(1) of the Listing Manual; and
- (d) in respect of the Preferential Offering,
- (i) compliance with the SGX-ST's listing requirements, including Rules 803, 806 and 816(2) of the Listing Manual; and
  - (ii) submission of:
    - (A) a written undertaking from the Manager that it will comply with Rules 704(30), 815 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;
    - (B) 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 New Units;
    - (C) a written undertaking from the Manager that it will comply with Rule 803 of the Listing Manual; and
    - (D) a written confirmation from the financial institution as required under Rule 877(9) of the Listing Manual that the Unitholders who have given irrevocable undertakings have sufficient financial resources to fulfill their obligations under their undertakings.

#### **4.3.4 Use of Proceeds**

The Manager intends to utilise the net proceeds of the Equity Fund Raising to reduce the debt facilities utilised to finance part of the Total Acquisition Cost of approximately S\$243.5 million.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the 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 deviation.

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

#### 4.4 Undertaking by the Sponsor

To demonstrate its support for ESR-REIT and the Equity Fund Raising, the Sponsor, which owns an aggregate interest of approximately 12.4% of the total number of Units in issue as at the Latest Practicable Date, has irrevocably undertaken to the Manager on 18 January 2018 (the “**Undertaking**”) that, in the event that the Equity Fund Raising includes a Preferential Offering, it will (i) accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and (ii) apply for such number of Sponsor Excess Units so that if it is fully allotted the Sponsor Excess Units, it will hold 14.9% of the total number of Units in issue immediately following the completion of the Preferential Offering.

The Sponsor has further irrevocably undertaken to the Manager that, subject to the approval of Unitholders having been obtained, the number of Sponsor Excess Units for which it will apply will be increased to such number of Units equal to the aggregate number of Units to be issued pursuant to the Preferential Offering, to the extent they remain unsubscribed after satisfaction of all applications (if any) for excess Units by Unitholders (other than the Sponsor) (the “**Sponsor Excess Application**”), provided that its total subscription under the Preferential Offering will not exceed S\$125.0 million.

Unitholders’ approval is being sought in respect of the Sponsor Excess Application pursuant to the Undertaking.

(See paragraph 4.4.1 below for further details.)

##### 4.4.1 Rationale for seeking Unitholders’ Approval

Rule 803 of the Listing Manual states as follows:

*“An issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.”*

A “**controlling shareholder**” is defined in the Listing Manual as a person who:

- (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company; or
- (b) in fact exercises control over a company.

The definition of “controlling shareholder” is applicable to ESR-REIT by virtue of Rule 404(8)(a) of the Listing Manual, which states as follows:

*“An application for the listing of a REIT must comply with Chapters 2 and 4 of the Listing Manual. On a continuing listing basis, the REIT is required to comply with all listing rules applicable to equity securities, with necessary adaptations.”*

Pursuant to Rule 803 of the Listing Manual (read together with Rule 404(8)(a) of the Listing Manual), an issue of securities to a person resulting in that person becoming a controlling Unitholder of ESR-REIT requires the approval of Unitholders at a general meeting of Unitholders.

As stated in paragraph 4.4 above, the Sponsor owns an aggregate interest of approximately 12.4% of the total number of Units in issue as at the Latest Practicable Date. In the event the Equity Fund Raising should include a Preferential Offering, the Sponsor has, pursuant to the Undertaking, agreed to subscribe for excess Units, provided that its total subscription

under the Preferential Offering will not exceed S\$125.0 million. In the event that there is an undersubscription of Units to be issued pursuant to the Preferential Offering (after satisfaction of all applications for excess Units by Unitholders), the Sponsor may, pursuant to the exercise of the Sponsor Excess Application, hold (directly or indirectly) 15% or more of the total number of Units in issue immediately following the completion of the Equity Fund Raising and the issuance of New Units pursuant thereto.

**The Manager is therefore seeking approval from Unitholders for the transfer of a controlling interest to the Sponsor as a result of the exercise of the Sponsor Excess Application, in the circumstances described in this paragraph 4.4.1.**

For clarity, if Unitholders do not approve the transfer of a controlling interest to the Sponsor under the circumstances described above in this paragraph 4.4.1, the Sponsor would only be required under the terms of the Undertaking to accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement; and to apply for such number of Sponsor Excess Units so that if it is fully allotted the Sponsor Excess Units, it will hold 14.9% of the total number of Units in issue immediately following the completion of the Equity Fund Raising.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The following table sets out the unitholding of the Sponsor and the total amount raised pursuant to the Equity Fund Raising, assuming (a) the Equity Fund Raising shall comprise the Preferential Offering only; (b) 236.0 million New Units are offered at the Illustrative Issue Price of S\$0.530 per New Unit pursuant to the Equity Fund Raising; (c) the Sponsor will accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering and Sponsor Excess Units such that it will hold 14.9% of the total number of Units in issue immediately following the completion of the Equity Fund Raising; and (d) no other Unitholders (apart from the Sponsor) will accept any of their respective provisional allocations of New Units under the Preferential Offering based on their respective entitlements.

	<b>Before the Issuance of the New Units under the Preferential Offering<sup>(1)</sup></b>	<b>Immediately after the Issuance of the New Units under the Preferential Offering</b>
Issued Units ('000)	1,313,623	1,352,681
Number of Units held by the Sponsor and its subsidiaries (including without limitation, the Manager) ('000)	162,492	201,549
Number of Units held by Unitholders, other than the Sponsor and its subsidiaries (including without limitation, the Manager) ('000)	1,151,132	1,151,132
% of issued Units held by the Sponsor and its subsidiaries (including without limitation, the Manager)	12.4%	14.9%
% of issued Units held by Unitholders, other than the Sponsor and its subsidiaries (including without limitation, the Manager)	87.6%	85.1%
Total amount raised in the Equity Fund Raising	–	S\$20.7 million

	Before the Issuance of the New Units under the Preferential Offering <sup>(1)</sup>	Immediately after the Issuance of the New Units under the Preferential Offering
Shortfall in amount raised (based on the Illustrative Issue Price of S\$0.530 per New Unit and an aggregate of 236.0 million New Units to be issued pursuant to the Equity Fund Raising)	–	S\$104.4 million
Aggregate Leverage (%)	39.6%	38.6%

**Note:**

(1) As at the Latest Practicable Date.

If Unitholders should approve of the possible transfer of a controlling interest to the Sponsor under the circumstances described above in this paragraph 4.4.1, the Sponsor may, pursuant to the exercise of the Sponsor Excess Application, increase its unitholding in, and acquire a controlling interest in ESR-REIT.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The following table sets out the unitholding of the Sponsor assuming (a) the Equity Fund Raising shall comprise the Preferential Offering only; (b) 236.0 million New Units are issued at the Illustrative Issue Price of S\$0.530 per New Unit pursuant to the Equity Fund Raising; (c) the Sponsor will accept, or procure the acceptance, in full of the provisional allocation of New Units under the Preferential Offering based on its entitlement and exercise the Sponsor Excess Application (subject to a maximum subscription amount under the Preferential Offering of S\$125.0 million); and (d) no other Unitholders (apart from the Sponsor) will accept any of their respective provisional allocations of New Units under the Preferential Offering based on their respective entitlements, and the Sponsor is fully allotted the Sponsor Excess Units pursuant to the Sponsor Excess Application.

	Before the Issuance of the New Units under the Preferential Offering <sup>(1)</sup>	Immediately after the Issuance of the New Units under the Preferential Offering
Issued Units ('000)	1,313,623	1,549,623
Number of Units held by the Sponsor and its subsidiaries (including without limitation, the Manager) ('000)	162,492	398,492
Number of Units held by Unitholders, other than the Sponsor and its subsidiaries (including without limitation, the Manager) ('000)	1,151,132	1,151,132
% of issued Units held by the Sponsor and its subsidiaries (including without limitation, the Manager)	12.4%	25.7%
% of issued Units held by Unitholders, other than the Sponsor and its subsidiaries (including without limitation, the Manager)	87.6%	74.3%
Total amount raised in the Equity Fund Raising	–	S\$125.1 million
Aggregate Leverage (%)	39.6%	32.5%

**Note:**

(1) As at the Latest Practicable Date.



## 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

### 5.1 Directors' Interests

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

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	%*	No. of Units	%*	No. of Units	%*
Mr Ooi Eng Peng	–	–	–	–	–	–
Mr Bruce Kendle Berry	–	–	–	–	–	–
Mr Erle William Spratt	–	–	–	–	–	–
Mr Philip John Pearce	–	–	–	–	–	–
Mr Akihiro Noguchi	–	–	–	–	–	–
Mr Jeffrey David Perlman	–	–	–	–	–	–
Mr Jeffrey Shen Jinchu	–	–	–	–	–	–
Mr Adrian Chui Wai Yin	–	–	–	–	–	–

**Note:**

\* The percentage interest is based on Units in issue as the Latest Practicable Date, being 1,313,623,314 Units.

### 5.2 Interests of Substantial Unitholders

The interests of the substantial Unitholders in Units as recorded in the Register of Substantial Unitholders as at the Latest Practicable Date are set out below.

Substantial Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	%*†	No. of Units	%*†	No. of Units	%†
Tong Jinquan	71,068,000	5.4	170,222,119 <sup>(1)</sup>	13.0	241,290,119	18.4
Shanghai Summit Pte Ltd	–	–	170,222,119 <sup>(2)</sup>	13.0	170,222,119	13.0
Wealthy Fountain Holdings Inc	159,236,219	12.1	– <sup>(3)</sup>	–	159,236,219	12.1
e-Shang Infinity Cayman Limited	123,226,584	9.4	39,264,988 <sup>(4)</sup>	3.0	162,491,572	12.4
e-Shang Jupiter Cayman Limited	–	–	162,491,572 <sup>(5)</sup>	12.4	162,491,572	12.4
ESR Cayman Limited	–	–	162,491,572 <sup>(6)</sup>	12.4	162,491,572	12.4
WP OCIM One LLC	–	–	162,491,572 <sup>(7)</sup>	12.4	162,491,572	12.4
WP X Investment VI Ltd.	–	–	162,491,572 <sup>(8)</sup>	12.4	162,491,572	12.4
Warburg Pincus Private Equity X, L.P.	–	–	162,491,572 <sup>(9)</sup>	12.4	162,491,572	12.4
Warburg Pincus X, L.P.	–	–	162,491,572 <sup>(10)</sup>	12.4	162,491,572	12.4
Warburg Pincus LLC	–	–	162,491,572 <sup>(11)</sup>	12.4	162,491,572	12.4
Warburg Pincus X GP L.P.	–	–	162,491,572 <sup>(12)</sup>	12.4	162,491,572	12.4
WPP GP LLC	–	–	162,491,572 <sup>(13)</sup>	12.4	162,491,572	12.4
Warburg Pincus Partners, L.P.	–	–	162,491,572 <sup>(14)</sup>	12.4	162,491,572	12.4
Warburg Pincus Partners GP LLC	–	–	162,491,572 <sup>(15)</sup>	12.4	162,491,572	12.4



Substantial Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	%*†	No. of Units	%*†	No. of Units	%†
Warburg Pincus & Co.	–	–	162,491,572 <sup>(16)</sup>	12.4	162,491,572	12.4
Charles R. Kaye	–	–	162,491,572 <sup>(17)</sup>	12.4	162,491,572	12.4
Joseph P. Landy	–	–	162,491,572 <sup>(18)</sup>	12.4	162,491,572	12.4

**Notes:**

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

† The percentage interest is based on Units in issue as at the Latest Practicable Date, being 1,313,623,314 Units.

- (1) Mr Tong Jinquan is the sole shareholder of Shanghai Summit Pte Ltd which is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 170,222,119 Units which Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd hold. Skyline Horizon Consortium Ltd holds 10,985,900 Units directly.
- (2) Shanghai Summit Pte Ltd is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 170,222,119 Units which Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd hold. Skyline Horizon Consortium Ltd holds 10,985,900 Units directly.
- (3) Wealthy Fountain Holdings Inc is wholly-owned by Tong Jinquan through Shanghai Summit Pte Ltd.
- (4) 34,130,384 Units are held by Sunrise (BVI) Limited, a wholly-owned subsidiary of e-Shang Infinity Cayman Limited.
- (5) e-Shang Jupiter Cayman Limited owns the entire issued share capital of e-Shang Infinity Cayman Limited. As e-Shang Jupiter Cayman Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 162,491,572 Units which e-Shang Infinity Cayman Limited has interests in (the "**Infinity Units**").
- (6) ESR Cayman Limited owns 95.2% of the issued share capital of e-Shang Jupiter Cayman Limited, which in turn owns the entire issued share capital of e-Shang Infinity Cayman Limited. As ESR Cayman Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 162,491,572 Infinity Units.
- (7) ESR Cayman Limited has control of e-Shang Infinity Cayman Limited and is deemed to have interests in the 162,491,572 Infinity Units. As WP OCIM One LLC has interest in more than 20% of the issued share capital of ESR Cayman Limited, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (8) WP OCIM One LLC has interest in more than 20% of the issued share capital of ESR Cayman Limited and is deemed to have interests in the 162,491,572 Infinity Units. As WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (9) WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC and is deemed to have interests in the 162,491,572 Infinity Units. As Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd., it is also deemed to have interests in the 162,491,572 Infinity Units.
- (10) Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd. and is deemed to have interests in the 162,491,572 Infinity Units. As Warburg Pincus X, L.P. ("**WPXGP**") is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (11) WPXGP is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership ("**WPX**") and is deemed to have interests in the 162,491,572 Infinity Units. As Warburg Pincus LLC ("**WP LLC**") is the manager having control of WPX, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (12) WPXGP is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, and is deemed to have interests in the 162,491,572 Infinity Units. As Warburg Pincus X GP L.P. ("**WP X GP LP**") is the general partner having control of WPXGP, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (13) WP X GP LP is the general partner having control of WPXGP, and is deemed to have interests in the 162,491,572 Infinity Units. As WPP GP LLC ("**WPP GP**") is the general partner having control of WP X GP LP, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (14) WPP GP is the general partner having control of WP X GP LP, and is deemed to have interests in the 162,491,572 Infinity Units. As Warburg Pincus Partners, L.P. ("**WP Partners**") is the managing member having control of WPP GP, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (15) WP Partners is the managing member having control of WPP GP, and is deemed to have interests in the 162,491,572 Infinity Units. As Warburg Pincus Partners GP LLC ("**WP Partners GP**") is the general partner having control of WP Partners, it is also deemed to have interests in the 162,491,572 Infinity Units.

- (16) WP Partners GP is the general partner having control of WP Partners, and is deemed to have interests in the 162,491,572 Infinity Units. As Warburg Pincus & Co. (“WP”) is the managing member having control of WP Partners GP, it is also deemed to have interests in the 162,491,572 Infinity Units.
- (17) WP is the managing member having control of WP Partners GP, and is deemed to have interests in the 162,491,572 Infinity Units. As Charles R. Kaye is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 162,491,572 Infinity Units.
- (18) WP is the managing member having control of WP Partners GP, and is deemed to have interests in the 162,491,572 Infinity Units. As Joseph P. Landy is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 162,491,572 Infinity Units.

## **6. RECOMMENDATIONS**

### **6.1 The Unit Issue Supplement**

The Directors have considered the relevant factors, including the terms of the Unit Issue Supplement and the rationale for the Unit Issue Supplement as set out in paragraph 2.2 above, and recommend that Unitholders vote in favour of Resolution 1, the Extraordinary Resolution relating to the Unit Issue Supplement.

### **6.2 The Electronic Communications Supplement**

The Directors have considered the relevant factors, including the terms of the Electronic Communications Supplement and the rationale for the Electronic Communications Supplement as set out in paragraph 3.3 above, and recommend that Unitholders vote in favour of Resolution 2, the Extraordinary Resolution relating to the Electronic Communications Supplement.

### **6.3 The Transfer of a Controlling Interest to the Sponsor**

Save for Mr Jeffrey David Perlman and Mr Jeffrey Shen Jinchu who are each abstaining from making a recommendation for the reasons set out below, the Directors have considered the relevant factors, including the terms of the Undertaking and the transfer of a controlling interest to the Sponsor under the circumstances as set out in paragraph 4 above, and recommend that Unitholders vote in favour of Resolution 3, the Ordinary Resolution relating to the transfer of a controlling interest to the Sponsor.

For the purposes of good corporate governance, as Mr Jeffrey David Perlman is a member of the board of directors of the Sponsor and Mr Jeffrey Shen Jinchu is the co-CEO of the Sponsor, they will each abstain from making a recommendation in respect of Resolution 3, the Ordinary Resolution relating to the transfer of a controlling interest to the Sponsor.

## **7. ABSTENTIONS FROM VOTING**

As at the Latest Practicable Date, the Sponsor owns an aggregate interest of approximately 12.4% of the total number of Units in issue.

Given that Unitholders’ approval is being sought in respect of the Sponsor Excess Application pursuant to the Undertaking, the Sponsor and its associates will abstain from voting on Resolution 3, the Ordinary Resolution relating to the transfer of a controlling interest to the Sponsor.

For the purposes of good corporate governance, as Mr Jeffrey David Perlman is a member of the board of directors of the Sponsor and Mr Jeffrey Shen Jinchu is the co-CEO of the Sponsor, they will each abstain from voting on Resolution 3, the Ordinary Resolution relating to the transfer of a controlling interest to the Sponsor in respect of Units (if any) held by them.

## **8. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 47 of this Circular, will be held at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 on 27 February 2018 (Tuesday) at 10.00 a.m. for the purpose of considering and, if thought fit, passing, the resolutions set out in the notice of EGM.

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

## **9. ACTION TO BE TAKEN BY UNITHOLDERS**

A Unitholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, may complete, sign and return the Proxy Form attached to the notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the Unit Registrar's office at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not later than 10.00 a.m. on 24 February 2018 (Saturday). The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

## **10. 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 Unit Issue Supplement, the Electronic Communications Supplement, the transfer of a controlling interest to the Sponsor, 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 contained 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 these sources and/or reproduced in this Circular in its proper form and context.

## **11. SOLE FINANCIAL ADVISER AND GLOBAL COORDINATOR'S RESPONSIBILITY STATEMENT**

To the best of the Sole Financial Adviser and Global Coordinator's knowledge and belief, the information about the Equity Fund Raising contained in this Circular constitutes full and true disclosure of all material facts about the Equity Fund Raising, and the Sole Financial Adviser and Global Coordinator is not aware of any facts the omission of which would make any statement about the Equity Fund Raising in this Circular misleading.

## 12. DOCUMENTS ON DISPLAY

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

- (a) the Undertaking; and
- (b) the put and call option agreement for the Acquisition.

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

Yours faithfully

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

Adrian Chui Wai Yin  
Chief Executive Officer and Executive Director  
Singapore  
2 February 2018

## APPENDIX A

### PART I PROPOSED UNIT ISSUE SUPPLEMENT TO THE TRUST DEED

The proposed form of the amendments to the Trust Deed upon Unitholders' approval of the Unit Issue Supplement is as follows:

- that Clause 5.3.2 of the Trust Deed (as shown by the strikethrough below) be deleted in its entirety and replaced with the underlined text below:

~~“5.3.2 Subject to the Listing Rules and this Clause 5 and for so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without prior approval of Holders in a meeting of Holders PROVIDED THAT:~~

- ~~(i) the Issue Price of a Unit for a rights issue offered on a pro rata basis to all existing Holders must not be less than 50% (or such other percentage as may be permitted by the SGX-ST or relevant Recognised Stock Exchange) of the Market Price of Units determined pursuant to Clause 5.3.1 (if applicable, of the same Class) on the Business Day preceding the day on which the intention to make the offer or issue is announced. Any such rights entitlement must be tradable on the SGX-ST or any other Recognised Stock Exchange on which the Trust is Listed, unless the Authority by notice in writing allows otherwise. The Trustee must ensure that such a rights issue is made at a price that is in accordance with the terms specified in this Clause 5.3.2(i);~~
- ~~(ii) the Issue Price of a Unit for any reinvestment of distribution arrangement under Clause 11.11 must not be less than 90% (or such other percentage as may be permitted by the SGX-ST or relevant Recognised Stock Exchange) of the Market Price of a Unit determined pursuant to Clause 5.3.1 as at the Business Day immediately following the Record Date for the determination of Distribution Entitlements. The Trustee must ensure that such an issue is made at a price that is in accordance with the terms specified in this Clause 5.3.2(ii);~~
- ~~(iii) the Issue Price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Holders must be determined in accordance with the conditions set out in Clauses 5.3.3 and 5.3.4; and~~
- ~~(iv) where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units pursuant to Clause 5.3.2(i) or Clause 5.3.3 to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as partial consideration shall be the same as the Issue Price for the Units issued in conjunction therewith pursuant to Clause 5.3.2(i) or (as the case may be) Clause 5.3.3.~~

Subject to the Listing Rules and for so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than as calculated in accordance with Clause 5.3.1 without prior approval of Holders in a meeting of Holders, provided that the Manager complies with the Listing Rules in determining the Issue Price, including the Issue Price of a Unit for a rights issue offered on a pro rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Holders, and the Issue Price of a Unit for any reinvestment or distribution arrangement.”

- that Clause 5.3.3 of the Trust Deed (as shown by the strikethrough below) be deleted in its entirety and replaced with the underlined text below:

~~“5.3.3 Subject to Clause 5.3.5, for so long as the Trust is Listed, new Units may be issued other than by way of a rights issue offered on a pro rata basis to all existing Holders without the prior approval of Holders in a meeting of Holders PROVIDED THAT:~~

- ~~(i) the issue (together with any other issue of Units other than by way of a rights issue offered on a pro rata basis to all existing Holders in the same Financial Year, including Units issued to the Manager in payment of the Manager’s Base Fee and/or Performance Fee) would not, immediately after the issue, exceed 10% (or such other percentage as may, from time to time, be prescribed by the Authority) of the Value of the Deposited Property including any Authorised Investment acquired or to be acquired by the Trust, for which the new Units are to be issued PROVIDED THAT the number of Units which would be represented by such percentage does not exceed the number of Units represented by 20% of the outstanding Units (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SGX-ST or relevant Recognised Stock Exchange); and~~
- ~~(ii) where such an issue is made at a discount to the Market Price, the discount does not exceed 5% or such other percentage as may, from time to time, be prescribed by the Authority.~~

~~For the purposes of this Clause 5.3.3, **Market Price** shall mean the volume weighted average price for trades done on the SGX-ST or relevant Recognised Stock Exchange on the day the placement agreement (or equivalent agreement) is signed. The volume weighted average price shall be calculated based on the trades done for a full market day, or if trading in the Listed Units is not available for a full market day, the volume weighted average price shall be calculated based on the trades done on the preceding market day up to the time the placement agreement (or equivalent agreement) is signed.~~

~~The Trustee must ensure that an issue of new Units other than by way of a rights issue offered on a pro rata basis to all existing Holders without the prior approval of Holders in a meeting of Holders complies with the terms specified in this Clause 5.3.3.~~

Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.”

- that Clause 5.3.4 of the Trust Deed (as shown by the strikethrough below) be deleted in its entirety and replaced with the underlined text below:

~~“5.3.4 Subject to Clause 5.3.5, for so long as the Trust is Listed, an issue of Units (other than by way of rights issue offered on a pro rata basis to all existing Holders) exceeding any of the above thresholds in Clauses 5.3.3(i) and 5.3.3(ii) will require specific prior approval of Holders by Extraordinary Resolution at a meeting of Holders to be convened by the Manager in accordance with Schedule 1. If relevant~~

~~in the circumstances, specific prior approval of Holders by Extraordinary Resolution must also have been obtained to permit the issue of Units to the Manager in payment of the Manager's Base Fee and/or Performance Fee if the issue of Units contemplated thereunder exceeds any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii). For the avoidance of doubt, any issue of Units pursuant to:~~

~~(i) such approval of Holders; and~~

~~(ii) Clause 5.2.4;~~

~~shall not be taken into account in determining whether a subsequent proposed issue of Units in the same financial year will exceed any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii).~~

For so long as the Trust is Listed, subject to any applicable laws, regulations and the Listing Rules, the Manager shall not issue any Units in numbers exceeding the limit (if any) set out in any applicable laws, regulations and the Listing Rules, relating to the issue of Units unless the Holders approve the issue of Units exceeding the aforesaid limit in general meeting."

- that Clause 5.3.5 of the Trust Deed be amended in accordance with the following deletions indicated by the text in strikethrough and additions indicated by the underlined text below:

~~"5.3.5 (Except in the case of an issue of Units to the Manager in payment of the Manager's Base Fee and/or Performance Fee)~~ For so long as the Trust is Listed:

~~(i) the Trustee and/or its related parties; and~~

~~(ii) the Manager and/or its related parties; and~~

~~(iii)~~

(ii) the directors and/or immediate family members of the directors of the Trustee and the Manager,

~~(unless otherwise permitted by the Authority in writing) may only participate in the issue of Units pursuant to Clauses 5.3.3 or 5.3.4 (which, for the avoidance of doubt, shall not include any issue of Units by way of a preferential offering of Units on a pro rata basis to all existing Holders or an offering of Units to the public through the internet or through the automated teller machines of participating banks which is carried out without preference to any particular group of investors) with the prior specific approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1 at which the following persons (unless otherwise permitted by the Authority in writing) must abstain from voting:~~

~~(aa) the person to which the issue is to be made;~~

~~(bb) where such person is a corporation, its directors and the immediate family members of its directors; and~~

~~(cc) where such person is a corporation, its related parties.~~

For the purpose of this Clause 5.3.5, **related parties** in relation to an entity shall mean its related corporations (as defined in the Companies Act) and companies in which at least 20% but not more than 50% of its shares are held by such entity and its related corporations."



- that Clause 15.1.1(iv) of the Trust Deed be amended in accordance with the following deletion indicated by the text in strikethrough below:

“(iv) The Base Fee may at the discretion of the Manager be structured at the initial public offering of Units and subsequently as payable in the form of cash or Units or a combination of both cash and Units in such proportions as may be determined at the option of the Manager, and be based generally in relation to the Value of the Deposited Property as a whole. If payment is in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee at the Issue Price with reference to the Market Price determined under Clause 5.3.1 or, if applicable, Clause 5.3.~~34~~ determined as at the end of each calendar quarter. In the event the payment or part thereof is to be made in the form of Units and Holders’ prior approval is required for the issue of such Units pursuant to Clause 5.3.4 but is not obtained, then the payment to the Manager for that portion of the Base Fee shall be made in the form of cash.”

- that Clause 15.2.4 of the Trust Deed be amended in accordance with the following deletion indicated by the deleted text below:

“15.2.4 The Manager may opt to receive the Acquisition Fee in the form of cash or Units or a combination of both cash and Units, Provided that in respect of any acquisition under Clause 15.2.1 from a Related Party such Acquisition Fee shall be in the form of Units. Where the Acquisition Fee is to be received in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the Issue Price with reference to the Market Price determined under Clause 5.3.1 or, if applicable, Clause 5.3.~~34~~. In the event the payment or part thereof is to be made in the form of Units and the Holders’ prior approval was required for the issue of such Units pursuant to Clause 5.3.4 but was not obtained, then the payment to the Manager for that portion of that Acquisition Fee shall be made in the form of cash.”

- that Clause 15.3.4 of the Trust Deed be amended in accordance with the following deletion indicated by the deleted text below:

“15.3.4 The Manager may opt to receive the Disposal Fee in the form of cash or Units or a combination of both cash and Units, Provided that in respect of any disposal under Clause 15.3.1 from a Related Party such Disposal Fee shall be in the form of Units. Where the Disposal Fee is to be received in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Disposal Fee at the Issue Price with reference to the Market Price determined under Clause 5.3.1 or, if applicable, Clause 5.3.~~34~~. In the event the payment or part thereof is to be made in the form of Units and the Holders’ prior approval was required for the issue of such Units pursuant to Clause 5.3.4 but was not obtained, then the payment to the Manager for that portion of that Disposal Fee shall be made in the form of cash.”



- that Paragraph 5 of Schedule 1 to the Trust Deed be amended in accordance with the following deletions indicated by the text in strikethrough and additions indicated by the underlined text below:

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

- (i) Extraordinary Resolution to:
  - (a) sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;
  - (b) sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Disposal Fee and the Trustee’s remuneration as provided in Clause 15 of this Deed;
  - ~~(c) sanction any issue of Units by the Manager under the circumstances set out for an issue of Units other than by way of an issue of Units pursuant to Clauses 5.2 to 5.4 of this Deed;~~
  - ~~(d)~~
  - (c) remove the Auditors as provided in Clause 22.1 of this Deed;
  - ~~(e)~~
  - (d) remove the Trustee as provided in Clause 23.3.4 of this Deed; and
  - ~~(f)~~
  - (e) direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act; and
- (ii) an Ordinary Resolution to remove the Manager as provided in Clause 24.1.4 of this Deed;
- (iii) a resolution duly proposed and passed as such by a majority representing 80% or more of the total number of votes cast for and against such resolution to delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 5(i) to (iii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the (where applicable) Securities and Futures Act, the Regulations, the Property Funds Guidelines, the Code or the Listing Rules.”

## **PART II CLAUSES 5.2 TO 5.4 OF THE CURRENT TRUST DEED**

Clauses 5.2 to 5.4 of the current Trust Deed are reproduced in full below for reference:

### **“5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price**

- 5.2.1 Prior to and including the time of Listing on the Listing Date, the Manager may issue Units at any time to any person at any Issue Price and on such terms and conditions as the Manager may determine in its absolute discretion.
- 5.2.2 The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Manager, or within such range to be determined by the Manager, on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period not exceeding 60 days (or such longer period as may be agreed between the Manager and the Trustee).
- 5.2.3 Subject to Clause 5.2.2, the Manager may extend a discount to the Issue Price per Unit under an initial public offering of Units, to any applicant who successfully applies to purchase more than such number of Units (as determined by the Manager in its absolute discretion) in a single application, subject to compliance with any applicable law or regulation and the Listing Rules.
- 5.2.4 The Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

### **5.3 Issue Price of Units when the Trust Is Listed**

- 5.3.1 Subject to Clauses 5.3.2 and 5.3.3 and for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price. For this purpose Market Price shall mean:
- (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or

- (ii) if the Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit.

5.3.2 Subject to the Listing Rules and this Clause 5 and for so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without prior approval of Holders in a meeting of Holders PROVIDED THAT:

- (i) the Issue Price of a Unit for a rights issue offered on a pro rata basis to all existing Holders must not be less than 50% (or such other percentage as may be permitted by the SGX-ST or relevant Recognised Stock Exchange) of the Market Price of Units determined pursuant to Clause 5.3.1 (if applicable, of the same Class) on the Business Day preceding the day on which the intention to make the offer or issue is announced. Any such rights entitlement must be tradable on the SGX-ST or any other Recognised Stock Exchange on which the Trust is Listed, unless the Authority by notice in writing allows otherwise. The Trustee must ensure that such a rights issue is made at a price that is in accordance with the terms specified in this Clause 5.3.2(i);
- (ii) the Issue Price of a Unit for any reinvestment of distribution arrangement under Clause 11.11 must not be less than 90% (or such other percentage as may be permitted by the SGX-ST or relevant Recognised Stock Exchange) of the Market Price of a Unit determined pursuant to Clause 5.3.1 as at the Business Day immediately following the Record Date for the determination of Distribution Entitlements. The Trustee must ensure that such an issue is made at a price that is in accordance with the terms specified in this Clause 5.3.2(ii);
- (iii) the Issue Price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Holders must be determined in accordance with the conditions set out in Clauses 5.3.3 and 5.3.4; and
- (iv) where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units pursuant to Clause 5.3.2(i) or Clause 5.3.3 to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as partial consideration shall be the same as the Issue Price for the Units issued in conjunction therewith pursuant to Clause 5.3.2(i) or (as the case may be) Clause 5.3.3.

5.3.3 Subject to Clause 5.3.5, for so long as the Trust is Listed, new Units may be issued other than by way of a rights issue offered on a pro rata basis to all existing Holders without the prior approval of Holders in a meeting of Holders PROVIDED THAT:

- (i) the issue (together with any other issue of Units other than by way of a rights issue offered on a pro rata basis to all existing Holders in the same Financial Year, including Units issued to the Manager in payment of the Manager's Base Fee and/or Performance Fee) would not, immediately after the issue, exceed 10% (or such other percentage as may, from time to time, be prescribed by the Authority) of the Value of the Deposited Property including

any Authorised Investment acquired or to be acquired by the Trust, for which the new Units are to be issued PROVIDED THAT the number of Units which would be represented by such percentage does not exceed the number of Units represented by 20% of the outstanding Units (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SGX-ST or relevant Recognised Stock Exchange); and

- (ii) where such an issue is made at a discount to the Market Price, the discount does not exceed 5% or such other percentage as may, from time to time, be prescribed by the Authority.

For the purposes of this Clause 5.3.3, Market Price shall mean the volume weighted average price for trades done on the SGX-ST or relevant Recognised Stock Exchange on the day the placement agreement (or equivalent agreement) is signed. The volume weighted average price shall be calculated based on the trades done for a full market day, or if trading in the Listed Units is not available for a full market day, the volume weighted average price shall be calculated based on the trades done on the preceding market day up to the time the placement agreement (or equivalent agreement) is signed.

The Trustee must ensure that an issue of new Units other than by way of a rights issue offered on a pro rata basis to all existing Holders without the prior approval of Holders in a meeting of Holders complies with the terms specified in this Clause 5.3.3.

- 5.3.4 Subject to Clause 5.3.5, for so long as the Trust is Listed, an issue of Units (other than by way of rights issue offered on a pro rata basis to all existing Holders) exceeding any of the above thresholds in Clauses 5.3.3(i) and 5.3.3(ii) will require specific prior approval of Holders by Extraordinary Resolution at a meeting of Holders to be convened by the Manager in accordance with Schedule 1. If relevant in the circumstances, specific prior approval of Holders by Extraordinary Resolution must also have been obtained to permit the issue of Units to the Manager in payment of the Manager's Base Fee and/or Performance Fee if the issue of Units contemplated thereunder exceeds any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii). For the avoidance of doubt, any issue of Units pursuant to:

- (i) such approval of Holders; and
- (ii) Clause 5.2.4,

shall not be taken into account in determining whether a subsequent proposed issue of Units in the same financial year will exceed any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii).

5.3.5 (Except in the case of an issue of Units to the Manager in payment of the Manager's Base Fee and/or Performance Fee) for so long as the Trust is Listed:

- (i) the Trustee and/or its related parties;
- (ii) the Manager and/or its related parties; and
- (iii) the directors and/or immediate family members of the directors of the Trustee and the Manager,

(unless otherwise permitted by the Authority in writing) may only participate in the issue of Units pursuant to Clauses 5.3.3 or 5.3.4 (which, for the avoidance of doubt, shall not include any issue of Units by way of a preferential offering of Units on a pro rata basis to all existing Holders or an offering of Units to the public through the internet or through the automated teller machines of participating banks which is carried out without preference to any particular group of investors) with the prior specific approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1 at which the following persons (unless otherwise permitted by the Authority in writing) must abstain from voting:

- (aa) the person to which the issue is to be made;
- (bb) where such person is a corporation, its directors and the immediate family members of its directors; and
- (cc) where such person is a corporation, its related parties.

For the purpose of this Clause 5.3.5, related parties in relation to an entity shall mean its related corporations (as defined in the Companies Act) and companies in which at least 20% but not more than 50% of its shares are held by such entity and its related corporations.

#### **5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted**

Where the Units have been suspended from quotation or trading on the SGX-ST for more than 60 consecutive calendar days or the Trust has been delisted from the Official List of the SGX-ST, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.”

## APPENDIX B

### PROPOSED ELECTRONIC COMMUNICATIONS SUPPLEMENT TO THE TRUST DEED

The proposed form of the amendments to the Trust Deed upon Unitholders' approval of the Electronic Communications Supplement is as follows:

- that Clause 1.1 of the Trust Deed be amended to reflect the additions as indicated by the underlined text below:

#### **“1.1 Definitions**

*electronic communications* means communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person):

(i) by means of a telecommunication system (as defined in the Telecommunications Act, Chapter 323 of Singapore); or

(ii) by other means but while in an electronic form,

such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form;”

- that Clause 27.1 of the Trust Deed be amended in accordance with the following deletions indicated by the text in strikethrough and additions indicated by the underlined text below:

#### **“27.1 Notices to Holders and Depositors**

27.1.1 Any notice required to be served upon a Holder shall be deemed to have been duly given if sent by post to or left, in the case of Units not credited into a Securities Account, at his address as appearing in the Register or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register and, in the case of Units credited into a Securities Account, at his address on record with the Depository, or in the case of Joint Depositors, to the Joint Depositor whose name stands first in the record of the Depository Register. Any notice so served by post shall be deemed to have been served two days after posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted. Any charges payable to the Depository for serving notices or other documents to Holders shall be borne out of the Deposited Property.

27.1.2 Without prejudice to the provisions of Clause 27.1.1, but subject otherwise to any Listing Rules relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under this Trust Deed, or by the Directors, to a Holder may be given, sent or served using electronic communications:

(i) to the current address of the Holder; or

(ii) by making it available on a website prescribed by the Manager from time to time,

in accordance with the provisions of this Trust Deed, the Listing Rules and any other applicable rules of any other relevant Recognised Stock Exchange on which the Trust may be Listed.

27.1.3 For the purposes of Clause 27.1.2 above, a Holder shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive the physical copy of such notice or document.

27.1.4 Notwithstanding Clause 27.1.3, the Manager may, at its discretion, at any time give a Holder an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Holder shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

27.1.5 Before giving, sending or serving any notice or document by way of electronic communications to a Holder who is deemed to have consented pursuant to Clause 27.1.4, the Manager must have given separate notice to the Holder in writing on at least one occasion that:

- (i) the Holder has a right to elect, within a time specified in the notice, whether to receive notices and documents by way of electronic communications or as a physical copy;
- (ii) if the Holder does not make an election, notices and documents will be given, sent or served to the Holder by way of electronic communications;
- (iii) the manner in which electronic communications will be used is the manner specified in the Trust Deed;
- (iv) the election is a standing election, but the Holder may make a fresh election at any time to receive notices or documents by way of electronic communications or as a physical copy; and
- (v) the Holder's election to receive notices or documents by way of electronic communications or as a physical copy that is conveyed to the Trust last in time prevails over all previous elections as the Holder's valid and subsisting election in relation to all documents and notices to be given, sent or served to the Holder until the Holder makes a fresh election.

27.1.6 Where a notice or document is given, sent or served by electronic communications:

- (i) to the current address of a person pursuant to Clause 27.1.2(i), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Manager or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Listing Rules and/or any other applicable regulations or procedures; and

(ii) by making it available on a website pursuant to Clause 27.1.2(ii), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Listing Rules and/or any other applicable regulations or procedures.

27.1.7 Where a notice or document is given, sent or served to a Holder by making it available on a website pursuant to Clause 27.1.2(ii), the Manager shall give separate notice to the Holder in accordance with the Listing Rules and/or any applicable regulations or procedures.”



## **ESR-REIT**

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

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING of the holders of units of ESR-REIT (“**Unitholders**”) will be held at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 on 27 February 2018 (Tuesday) at 10.00 a.m. to consider and, if thought fit, to pass, with or without any modifications, the following resolutions:

#### **RESOLUTION 1 (EXTRAORDINARY RESOLUTION): THE PROPOSED UNIT ISSUE SUPPLEMENT TO THE TRUST DEED**

That:

- (a) approval be and is hereby given to amend ESR-REIT’s trust deed dated 31 March 2006 (as amended) (the “**Trust Deed**”) with the Unit Issue Supplement (as defined in the circular to Unitholders dated 2 February 2018 (the “**Circular**”)) in the manner set out in Part I of Appendix A to the Circular; and
- (b) ESR Funds Management (S) Limited, as manager of ESR-REIT (the “**Manager**”) and RBC Investor Services Trust Singapore Limited, as trustee of ESR-REIT (the “**Trustee**”) be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of ESR-REIT to give effect to the Unit Issue Supplement.

#### **RESOLUTION 2 (EXTRAORDINARY RESOLUTION): THE PROPOSED ELECTRONIC COMMUNICATIONS SUPPLEMENT TO THE TRUST DEED**

That:

- (a) approval be and is hereby given to amend the Trust Deed with the Electronic Communications Supplement (as defined in the Circular) in the manner set out in Appendix B to the Circular; and
- (b) the Manager and the Trustee be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of ESR-REIT to give effect to the Electronic Communications Supplement.

#### **RESOLUTION 3 (ORDINARY RESOLUTION): THE TRANSFER OF A CONTROLLING INTEREST TO ESR CAYMAN LIMITED UNDER THE CIRCUMSTANCES DESCRIBED IN THE CIRCULAR AS A RESULT OF THE EQUITY FUND RAISING**

That:

- (a) approval be and is hereby given to the Manager to issue new units in ESR-REIT to ESR Cayman Limited pursuant to Rule 803 of the Listing Manual, under the circumstances described in paragraph 4 of the Circular; and

- (b) the Manager and the Trustee be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of ESR-REIT to give effect to the above.

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited

(Company Registration No.: 200512804G, Capital Markets Services Licence No.: CMS 100132-5)

As manager of ESR-REIT

Adrian Chui Wai Yin

Chief Executive Officer and Executive Director

Singapore

2 February 2018

**Important Notice:**

The value of units in ESR-REIT (“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, the Trustee, or any of their respective related corporations and 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 Singapore Exchange Securities Trading Limited (the “SGX-ST”). 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.

**Notes:**

1. A Unitholder who is not a relevant intermediary (as defined below) entitled to attend and vote at the Extraordinary General Meeting of ESR-REIT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

“relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or
  - (c) the Central Provident Fund Board (“CPF Board”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund (“CPF”), if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The instrument appointing a proxy or proxies must be lodged at the office of the Unit Registrar of ESR-REIT at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than 72 hours before the time appointed for the Extraordinary General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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## ESR-REIT

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

## PROXY FORM

### Extraordinary General Meeting

<b>IMPORTANT:</b>
1. For Central Provident Fund ("CPF") investors who have used their CPF monies to buy units in ESR-REIT, this Circular is forwarded to them at the request of their Agent Banks and is sent solely <b>FOR THEIR INFORMATION ONLY</b> .
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as <b>OBSERVERS</b> must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Unit Registrar of ESR-REIT within the time frame specified. If they also wish to vote, they must submit their requests to the Agent Bank so his Agent Bank may appoint him as its proxy within the specified timeframe. (Agent Banks, please see Notes 2 and 4 on the required details.)
4. <b>PLEASE READ THE NOTES TO THE PROXY FORM.</b> <u>Personal data privacy</u> 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 February 2018.

I/We, \_\_\_\_\_ (Name and NRIC no./Passport no./Company Registration no.)  
of \_\_\_\_\_ (Address)  
being a unitholder/unitholders of ESR-REIT, hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Unitholdings (Note 1)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Unitholdings (Note 1)	
			No. of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of ESR-REIT to be held at 10.00 a.m. on 27 February 2018 at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Extraordinary General Meeting.

No.	Resolutions:	For*	Against*
1	<b>Resolution 1 (Extraordinary Resolution):</b> To approve the Unit Issue Supplement to the Trust Deed		
2	<b>Resolution 2 (Extraordinary Resolution):</b> To approve the Electronic Communications Supplement to the Trust Deed		
3	<b>Resolution 3 (Ordinary Resolution):</b> To approve the transfer of a controlling interest to ESR Cayman Limited pursuant to Rule 803 of the Listing Manual		

\* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

<b>Total number of Units held (Note 3)</b>

\_\_\_\_\_  
Signature(s) of Unitholder(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE**



**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes to proxy form:**

1. A holder of units of ESR-REIT ("**Unitholder**") who is not a relevant intermediary (as defined below) entitled to attend and vote at the Extraordinary General Meeting of ESR-REIT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different unit in ESR-REIT ("**Unit**") or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.  
"**relevant intermediary**" means:
  - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or
  - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. 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, 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.
4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of the Unit Registrar of ESR-REIT at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 72 hours before the time set for the Extraordinary General Meeting.
5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Extraordinary General Meeting in person, and in such event, ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Extraordinary General Meeting.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power or authority must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager 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 Extraordinary General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
10. Every Unitholder who is present in person or by proxy 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.

*Fold along this line*

Affix  
postage  
stamp

**B.A.C.S. Private Limited**  
(as unit registrar of ESR-REIT)  
8 Robinson Road  
#03-00 ASO Building  
Singapore 048544



