CIRCULAR DATED 24 SEPTEMBER 2024

CIRCULAR TO UNITHOLDERS IN RELATION TO:

1) **THE PROPOSED ACQUISITION OF 100% TRUST BENEFICIARY INTEREST IN THE NEW JAPAN PROPERTY (AS DEFINED HEREIN) BEING A DISTRIBUTION CENTRE LOCATED IN NAGOYA, JAPAN, AS AN INTERESTED PERSON TRANSACTION;**

2) **THE PROPOSED ACQUISITION OF 51.0% INTEREST IN THE NEW SINGAPORE PROPERTY (AS DEFINED HEREIN) AND THE PROPOSED ISSUANCE OF LOGOS CONSIDERATION UNITS (AS DEFINED HEREIN), AS INTERESTED PERSON TRANSACTIONS, AND THE PROPOSED ISSUANCE OF IVANHOE CONSIDERATION UNITS (AS DEFINED HEREIN); AND**

3) **THE PROPOSED ISSUANCE OF NEW UNITS UNDER THE PREFERENTIAL OFFERING, PURSUANT TO RULE 805(1) AND RULE 816(2) OF THE LISTING MANUAL.**

IMPORTANT DATES AND TIMES

Submission of Questions in Advance of the Extraordinary General Meeting ("EGM")

1 October 2024 (Tuesday) at 5:00 p.m.

Last Date and Time for Submission of Proxy Form

6 October 2024 (Sunday) at 10:00 a.m.

Date, Time and Place of the EGM

9 October 2024 (Wednesday) at 10:00 a.m.

Jasmine Ballroom, Level 3, Marina Bay Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956

The EGM will be conducted in a wholly physical format

ESR-LOGOS REIT

(A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006) (as amended) (the "**Trust Deed**")

Managed by

ESR-LOGOS Funds Management (S) Limited

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

Independent Financial Adviser
for the Singapore Acquisition

Deloitte.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or 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. This Circular (together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form) may also be accessed at ESR-LOGOS REIT's website at the URL https://www.esr-logosreit.com.sg/ and are also available on the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements.

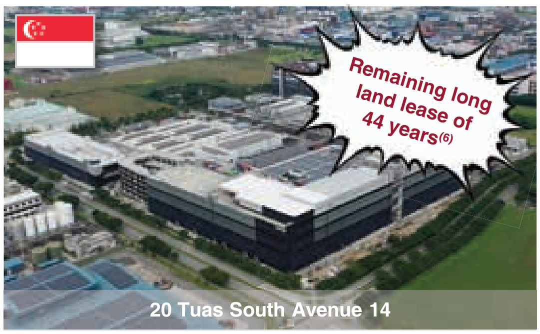
This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of E-LOG in Singapore or any other jurisdiction.

Unless otherwise defined, all capitalised terms used in this section shall have the meanings ascribed to them in this Circular.

Transaction Overview

ACQUISITION OF TWO DPU ACCRETIVE ASSETS IN SINGAPORE AND JAPAN

ESR Yatomi Kisosaki Distribution Centre



20 Tuas South Avenue 14

	Japan Acquisition Outlay: c. S$328.0m	Singapore Acquisition Outlay: c. S$444.6m
Proposed Acquisition	▪ Acquisition of 100.0% of the trust beneficiary interest of a four-storey double ramp-up modern logistics facility known as ESR Yatomi Kisosaki Distribution Centre located at 1-3-4 chome and others, Shinwa, Kisosaki-cho, Kuwana-gun, Mie-ken, Greater Nagoya	▪ Acquisition of 51.0% interest in a Singapore property comprising a high-specifications manufacturing facility and newly constructed ramp-up logistics warehouses with modern specifications located at 20 Tuas South Avenue 14, Singapore 637312
Asset Type	▪ Warehouse/Distribution Centre (Multi-tenant)	▪ High-specifications manufacturing facility and ramp-up logistics warehouses
Completion Date	▪ 28 April 2022	▪ **Hi-Specs:** 2009 ▪ **Logistics:** 2022
Land Area (sqm)	▪ 79,096	▪ 252,733
NLA (sqm)	▪ 134,863	▪ **Total:** 247,063 ▪ **Hi-Specs:** 150,250 ▪ **Logistics:** 96,813
Land Tenure	▪ Freehold	▪ Leasehold (approximately 44 years remaining)[6]
WALE (years)	▪ 2.7[1]	▪ 11.2
First Year NPI Yield	▪ 4.0%[2] based on Japan Purchase Consideration	▪ 6.1% (based on the Agreed Value[7])
Committed Occupancy	▪ 89.4%[1]	▪ 99.7%
Number of Tenants	▪ 5[1]	▪ 8
Valuation/ Purchase Consideration/ Agreed Value	▪ **Average Valuation with Japan NPI Support[3][4]:** JPY 38,905m *(c. S$329.9m)*[4] ▪ **Purchase Price:** JPY 38,000m *(c. S$322.2m)*[4] ▪ **Discount to Average Valuation:** 2.3%	▪ **Average Valuation[8]:** S$859.4m ▪ **Agreed Value:** S$840.0m ▪ **Discount to Average Valuation:** 2.3%
Key Tenants	**Tenant — Sector** Meiko Trans Co., Ltd — Logistics & Warehousing Tsukasa Kigyo Co., Ltd — Logistics & Warehousing Karitsu Co., Ltd — Logistics & Warehousing Tanesei Co., Ltd — Food & Beverage New tenant secured in July 2024 — General & Precision Engineering	▪ **High-specifications manufacturing facility:** 100% leased to REC Solar Pte. Ltd for c. 19 years (from 10 January 2019 to 21 June 2038) with built in rental escalations averaging 1.15% p.a. going forward with an option to renew for a further 20 years[9] ▪ **Ramp-up logistics warehouses:** Blue-chip tenants including Schneider Electric Asia Pte. Ltd., Maersk Logistics and Services Singapore Pte Ltd and DSV Solutions Pte. Ltd. on a multi-tenanted basis with a WALE of 6.0 years[10]
Green Certification	▪ CASBEE A Sustainability Rating[5]	▪ Green Mark Platinum (for the newly constructed modern ramp-up logistics warehouses)

Sources: Company filings, Company websites, Independent valuation reports issued by the Japan Independent Valuers and Singapore Independent Valuers
Notes: (1) Based on committed occupancy. Includes a new tenant secured by ESR Japan in July 2024. ESR Japan is in advanced negotiations with another potential tenant which would further increase the occupancy to 93.2% and the WALE to 2.8 years. (2) Includes the Japan NPI Support. (3) Based on two independent valuers – Colliers International and CBRE, with valuation as at 30 June 2024 (4) Based on the illustrative exchange rate of JPY 100.00 = S$0.848 (5) "CASBEE" refers to Comprehensive Assessment System for Built Environment Efficiency, which is a green building rating system developed in Japan. The gradings of CASBEE are ranked in 5 grades: Superior (S), Very Good (A), Good (B+), Slightly Poor (B-) and Poor (C). (6) Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease (7) Agreed market value of the New Singapore Property of S$840.0m (8) Based on valuations from two independent valuers – Cushman & Wakefield and Savills as at 30 June 2024 (9) Should REC Solar exercise the option to renew, the average rent payable per month for a further 20 years ("REC Option Term") will be approximately 46% of the average rent payable per month for the period of 1 December 2021 to 21 June 2038 (based on the restructured rent period of the lease with REC Solar) (10) As at 30 June 2024

Transaction Rationale

Rationale for and Key Benefits of the Acquisitions:

1. Acquisitions are "On-Strategy" to E-LOG
2. Acquisitions are expected to be +3.0% DPU accretive to Unitholders
3. Japan Acquisition and Singapore Acquisition are acquired at attractive NPI yields and at a 2.3% discount each to their respective average valuation
4. Acquisitions demonstrate E-LOG's access to Sponsor's pipeline and strong support to grow E-LOG
5. Acquisitions will significantly improve E-LOG's key portfolio metrics

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1 Acquisitions are "On-Strategy" to E-LOG

E-LOG has executed on (i) Rejuvenating our Asset Portfolio and (ii) "Recapitalising" for Growth, and the Acquisitions are expected to (iii) Recycle Capital and (iv) Reinforce the Sponsor's commitment[1]

Reinforce Sponsor's Commitment

- Access to Sponsor's visible and executable New Economy pipeline of high-quality logistics assets
- Acquisitions of the New Japan Property and New Singapore Property
- Financial Support and Alignment of Interest: ESR IU to procure the subscription of up to S$140.0m for the Preferential Offering

Growth

Recycle Capital

- Opportunity for E-LOG to recycle capital from divestment proceeds of non-core assets
- Reinvest into future-ready, modern, in-demand, freehold or longer land lease, New Economy assets with green features

Rejuvenate Asset Portfolio

- Undertaking AEIs and redevelopments to improve overall portfolio quality
- Completed value enhancing AEIs and redevelopments:
  - 7002 Ang Mo Kio Ave 5
  - 21B Senoko Loop
- Implementation of ESG and decarbonisation roadmap with inauguration of sustainability committee

Recapitalise for Growth

- Successful S$300.0m EFR in early 2023
- S$440.6m divestment of non-core assets in 2023
- Stronger balance sheet and low aggregate leverage of 36.5% and increased debt headroom of S$692.8m for growth opportunities[2]

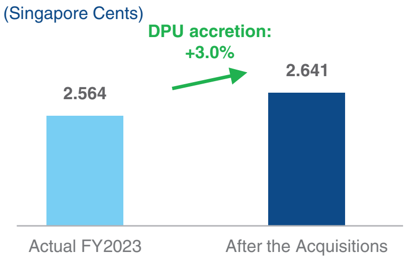
Notes: (1) For further details on E-LOG's growth strategy, please refer to the announcement titled "*Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less than Approximately S$300.0 Million*" dated 16 February 2023. (2) As at 30 June 2024. Debt headroom based on gearing limit of 45%.

Transaction Rationale (cont'd)

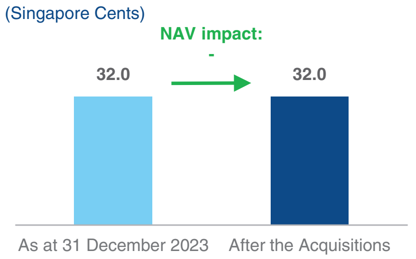
2 Acquisitions are expected to be +3.0% DPU accretive to Unitholders

FOR ILLUSTRATIVE PURPOSES ONLY NOT A FORWARD-LOOKING PROJECTION

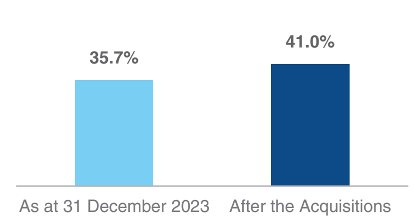
FY2023 Pro Forma DPU Impact[1]



FY2023 Pro Forma NAV Impact[2]

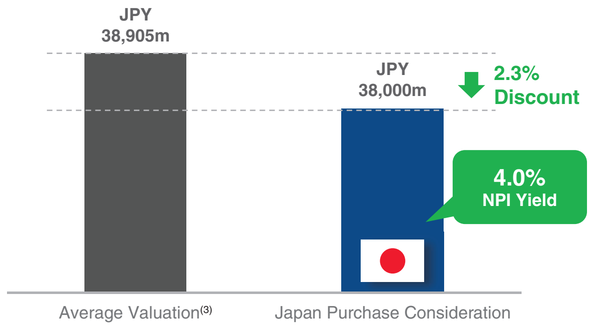


FY2023 Pro Forma Aggregate Leverage

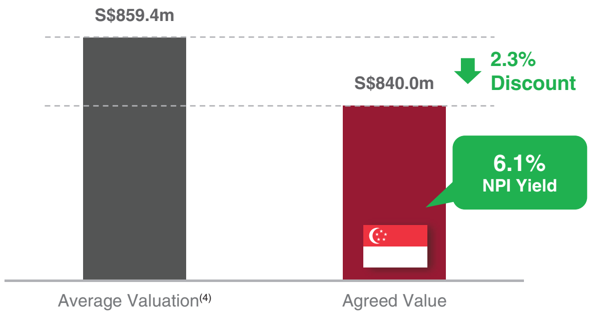


3 Acquisitions acquired at attractive NPI yields and at a 2.3% discount each to average valuation

Japan Acquisition



Singapore Acquisition



4 Acquisitions demonstrate E-LOG's access to Sponsor's pipeline and strong support to grow E-LOG

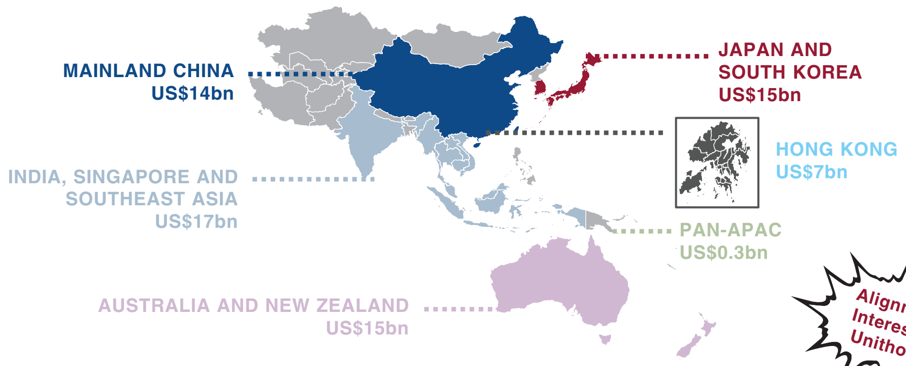
ESR

US$81bn
Fee-related AUM[6][7][9]

US$156bn
Total AUM[6]

49m sqm
Gross Floor Area[8]

ESR Group, as the Sponsor of E-LOG, is Asia Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers by assets under management ("AUM") globally[5] (c.US$156bn[6])



Alignment of Interest with Unitholders

The Sponsor has provided the **ESR IU** to procure the subscription of up to **S$140.0m** for the Preferential Offering at an issue price of S$0.305, which is **at a premium to the closing market price** of S$0.275 as at the day prior to the 31 July 2024 Announcement and **at the NAV per Unit** of S$0.305 as at 30 June 2024

Source: Selected transactions from the CBRE valuation report dated 30 June 2024, ESR Group Limited annual report 2023
Notes: (1) Assuming the Acquisitions had been completed on 1 January 2023 and E-LOG held and operated the properties through to 31 December 2023. Please refer to paragraph 5.2 for the pro forma financial effects of the Acquisitions. (2) Assuming the Acquisitions had been completed on 31 December 2023. Please refer to the paragraph 5.2 for the pro forma financial effects of the Acquisitions. (3) Inclusive of Japan NPI Support. Average of valuations from two independent valuers, Colliers and CBRE. (4) Average of valuations from two independent valuers, Cushman & Wakefield and Savills. (5) Based on the ANREV Fund Manager Survey published on 29 May 2024. (6) Based on FX rates as at 31 December 2023. Included reported AUM of associates of the Sponsor and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis. (7) Fee-related AUM excludes AUM from associates of the Sponsor and levered uncalled capital. (8) Excludes associates of the Sponsor. (9) Including U.S./Europe fee-related AUM of US$13bn.

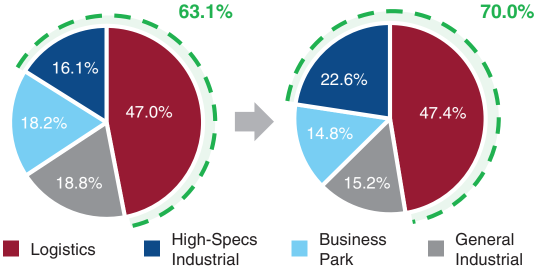
Transaction Rationale (cont'd)

5.1 Acquisitions will significantly improve E-LOG's key portfolio metrics: Increase E-LOG's New Economy Assets exposure and increase portfolio underlying land lease to mitigate land lease decay impact on valuations

1 Increases exposure to New Economy Assets[(1)(2)]

- E-LOG's exposure to New Economy assets will increase from 63.1% to **70.0%** by Rental Income after the Acquisitions

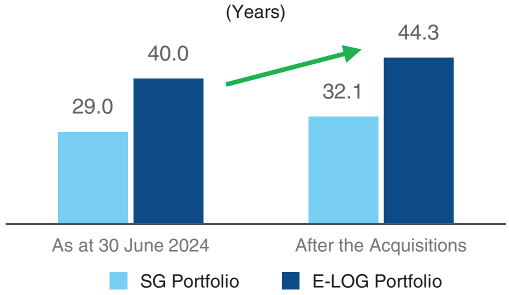
1H2024 *(by Rental Income)* **After the Acquisitions** *(by Rental Income)*



2 Increases underlying land lease to mitigate land lease decay

- After the Acquisitions, E-LOG's Singapore and portfolio weighted average land lease expiry will improve from 29.0 years to **32.1 years** and from 40.0 years to **44.3 years** respectively

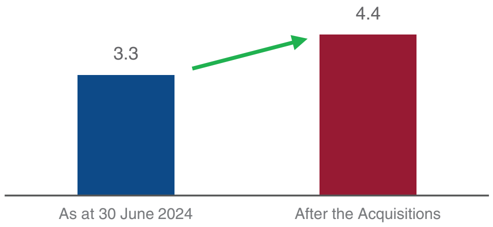
Weighted Average Land Lease Expiry (Years)



3 Increases Weighted Average Lease Expiry ("WALE")

- After the Acquisitions, E-LOG's WALE will improve from 3.3 years to **4.4 years**

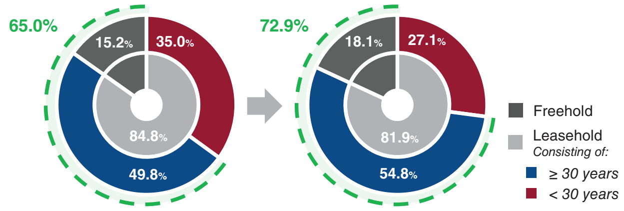
Weighted Average Lease Expiry (Years)



4 Increases exposure to freehold and longer land lease assets

- After the Acquisitions, **72.9%** of the portfolio will be freehold or have more than 30 years of land lease remaining

1H2024 *(by Valuation)* **After the Acquisitions** *(by Valuation)*



5.2 Acquisitions will significantly improve E-LOG's key portfolio metrics: E-LOG's portfolio will pivot towards future-ready green assets

Japan Acquisition

CASBEE 'A' Certification

CASBEE A Sustainability Rating

One of the highest functional standards for grading green buildings in Japan

Utilization of Modern Technology

LED lighting and human detection sensors

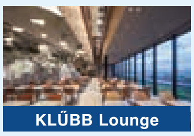
Enhances operational efficiency and lowers maintenance costs

Promoting Sustainability

Installation of solar panels on the rooftop

Reduces energy costs

Key Innovative Amenities:



KLŰBB Lounge

Private Lounge

KLŰBB Shop

24/7 unmanned cafeteria

Singapore Acquisition

Certified Green Mark Platinum Newly Constructed Ramp-up Warehouses:

- **Environmentally friendly building materials**
- **Efficient air-conditioning variable refrigerant flow system**

- **Water efficient fittings (rated 3 ticks in the Water Efficiency Labelling Scheme)**
- **Provision of private water meter linked to building management system for leak detection**
- **LED lightings used for all fitting**
- **Motion sensors installed for toilet and staircase lighting to preserve energy**

Secured Committed Green Debt Financing Term Sheets:

1. Secured term loan facility of S$341.5m[(3)] inclusive of a green loan tranche of S$108.6m
2. Unsecured sustainability linked loan of S$225.0m[(4)]

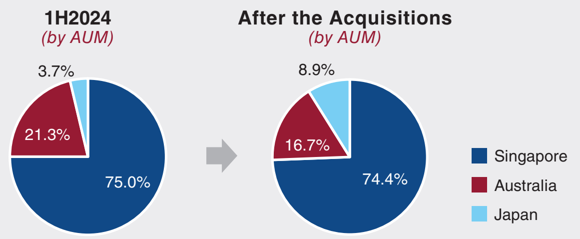
Notes: (1) Based on the Effective Gross Rents for the Month of June 2024. Excludes contribution from fund properties. (2) The existing high-specifications manufacturing facility occupied by REC Solar is classified as high-specifications industrial while the ramp-up logistics warehouses are classified as logistics. Assumes that the New Japan Property is 100% occupied given the Japan NPI Support. (3) Net proceeds of S$172.0m, being E-LOG's proportionate share of net proceeds, will be utilized to complete the Singapore Acquisition. (4) Net proceeds of S$70.0m will be utilized to complete the Singapore Acquisition.

Transaction Rationale (cont'd)

5.3 Acquisitions will significantly improve E-LOG's key portfolio metrics:

Scale up Japan presence with sizable freehold asset while tapping on ESR Japan's on the ground expertise for economies of scale

1 Increase E-LOG's exposure to Nagoya logistics market



2 Nagoya is a key hub with great access to domestic and international markets

- **Strategically located in central Japan** connecting Greater Tokyo and Greater Osaka, allowing it to **access both domestic and international markets**
- Renowned for its **automotive sector** which **accounts for about 30%** of the national manufacturing shipment value
- The New Japan Property is **located in the Bay Area of Greater Nagoya**, where the Port of Nagoya is located

Map of Japan

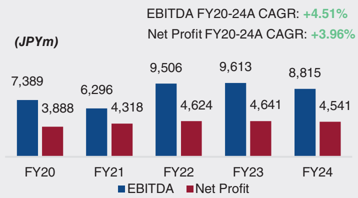
3 c. 40% Anchored by significant logistics player Meiko Trans

Meiko Trans is a Japanese Logistics Company with a Market Cap of c. JPY44,732m[1]

名港海運株式会社

1) Extensive Port Operations
2) Largest Warehouse Capacity
3) Operates in Growing 3PL Sector
4) Financial Stability

Financial Highlights[1][2]



4 E-LOG can tap on ESR Japan's on the ground expertise

ESR Japan will be the Asset Manager and Property Manager for the New Japan Property

ESR Japan Expertise

1) One stop solution executed by >80 local experts
2) Proprietary Japan Logistics Market Database
3) Strong presence & track record

ESR Japan in Numbers

JPY 1,206bn[3]	4.5m sqm	39[4]	18
AUM (Logistics only)	Developed assets GFA	Logistics Assets	Years in Japan

5.4 Acquisitions will significantly improve E-LOG's key portfolio metrics:

New Singapore Property with occupancy of 99.7% provides income stability and in-built rental escalations

Income Stability from High-Specs Space Leased to REC Solar...

1 Long-term lease provides long term rent stability and sustained organic growth through rent escalations

High specifications manufacturing facility is 100% leased to REC Solar

c. 19 years	20 years	Average 1.15% p.a.
Duration of lease from 10 January 2019 to 21 June 2038	Option for lease renewal	Rent escalations from 1 December 2024

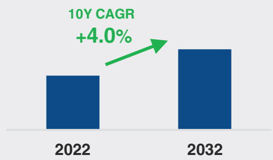
2 Strong tenant covenant as a 100% subsidiary of a Fortune 500 company

Reliance Industries Limited

88th	US$253bn market cap[5]
On Fortune Global 500 list of the world's biggest corporations as of 2023	Largest publicly traded company in India by market capitalisation

3 Exposure to growing PV industry

Global solar PV installations[6]



REC Solar:

- Ranks within **top 20** module producers and capacity availability
- Ranked globally as the **second largest producer**, excluding Chinese production[7]

4 Commitment to properties shown from significant investments

- **Significant investments** in its plant and machinery equipment since 2009
- Expected to **increase its investment** over the rest of 2024
- Responsible **for all property outgoing expenses**

... as Anchor Tenant on Long Term Lease with In-Built Rental Escalations

Source: Company Information

Notes: (1) As at 30 June 2024. (2) Financial year ended 31 March. (3) Information as of 31 December 2023. (4) 5 assets under ESR Japan's balance sheet and 34 assets under funds managed by ESR Japan (5) As at 1 July 2024. (6) Unitholders should note that the data and information provided by Wood Mackenzie should not be interpreted as advice and Unitholders should not rely on it for any purpose. No person may copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for the use of this data and information by any person. (7) Chinese production is typically for the domestic market.

Transaction Rationale (cont'd)

5.4 Acquisitions will significantly improve E-LOG's key portfolio metrics:

Multi-tenanted ramp-up logistics warehouses provide rental upside opportunities

Existing leases in the multi-tenanted ramp up logistics warehouses (39% of total NLA) are in their first lease cycle and were leased at shorter lease tenors on a multi-tenanted basis, with the potential to enjoy positive rental upside during lease renewals

Leased to blue-chip tenants

Schneider Electric Asia Pte. Ltd.

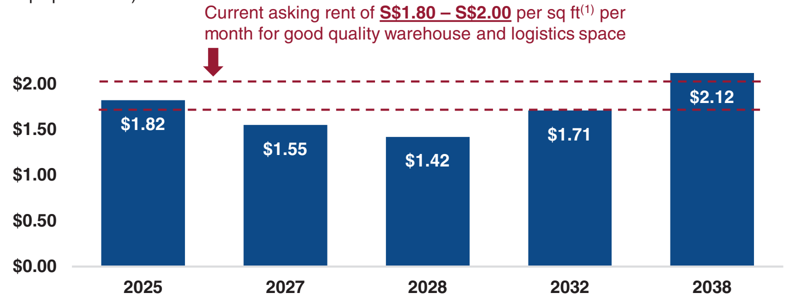
Maersk Logistics and Services Singapore Pte Ltd

DSV Solutions Pte. Ltd.

In-place rents for the ramp-up logistics warehouse space are below market asking rents

Lease Expiry Profile (Effective Gross Rents)

(S$ per sq ft per month)



% of total NLA	9.8%	5.0%	9.2%	8.5%	5.6%

Tuas Mega Port's strong positioning as a global maritime hub, favourable demand-supply dynamics and shorter lease tenures allow the logistics space the **potential to enjoy positive rental upside** during lease renewals

5.4 Acquisitions will significantly improve E-LOG's key portfolio metrics:

Strategic location of Singapore Asset and timely acquisition will benefit from Singapore's transformation of Tuas Mega Port

Asset is strategically located near the Tuas Mega Port

20 Tuas South Ave 14

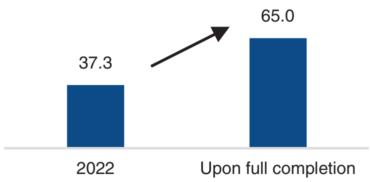
1 Significant landmark in Port of Singapore's evolution

- Located **c.6.5 km from the Tuas Mega Port**
- **Only and largest** facility in Singapore
- **Largest port infrastructure** in the world[2]

2 Significant increase in capacity upon full completion

- Ability to **handle almost double of present volumes** when Tuas Mega Port is fully completed

Containers handled (TEUs)[3] (m)



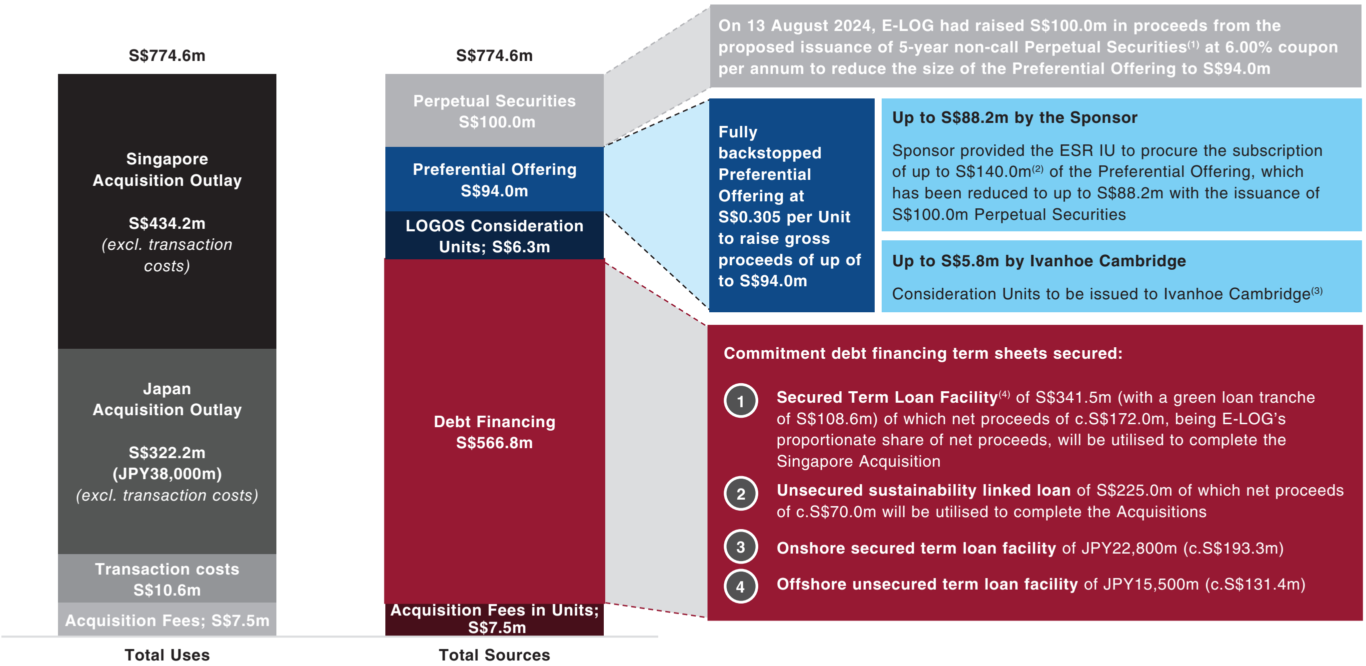
- Tuas Mega Port is expected to **create tailwinds that boost the maritime sector**
- Generate incremental and sustainable demand for warehouses and distribution centres

Source: Wood Mackenzie, The Straits Times, National Day Rally 2022
Notes: (1) According to Independent market report by Knight Frank Pte Ltd. (2) Based on statistics from the Maritime and Port Authority of Singapore. (3) TEU refers to twenty-foot equivalent units.

Method of Financing the Acquisitions and The Proposed Preferential Offering

The Manager intends to fund both the Acquisitions via (i) debt financing, (ii) the issuance of LOGOS Consideration Units in relation to the Singapore Acquisition; (iii) the Perpetual Securities Proceeds[1]; and (iv) a combination of one or more of the Preferential Offering and the issuance of Ivanhoe Consideration Units in relation to the Singapore Acquisition. The aggregate of (i) the proceeds raised from the Preferential Offering, (ii) the proceeds raised from the issuance of the Ivanhoe Consideration Units (if any) and (iii) the Perpetual Securities Proceeds shall not exceed S$194.0m.

A graphical representation of the total uses and source of the financing are as follows:



THE PREFERENTIAL OFFERING, CONSIDERATION UNITS AND INSTRUMENTS

On 24 September 2024, the Manager announced its intention to undertake the Preferential Offering to raise gross proceeds of up to S$94.0m at the Issue Price of S$0.305 per new Unit. The Preferential Offering would not be underwritten[5] and shall comprise an offering of new Units to existing Unitholders of an amount up to S$94.0m.

ESR IRREVOCABLE UNDERTAKING

In connection with the Preferential Offering, the Sponsor has provided the ESR IU to procure the subscription by e-Shang Infinity of up to S$140.0m (comprising the ESR Pro-Rata of up to S$17.4m and the ESR Excess of up to S$122.6m) at an Issue Price of S$0.305 per Unit. e-Shang Infinity's undertaking to subscribe for the ESR Excess Units shall be reduced by any amount raised from (i) the Third Party Proceeds and (ii) the Instruments Proceeds, in excess of S$48.2m. For the avoidance of doubt, apart from e-Shang Infinity, the other entities of the Sponsor which hold Units would not be applying for their pro rata entitlement in the Preferential Offering.

1. Subscribe for its pro rata entitlements under the Preferential Offering; and
2. Apply for ESR Excess Units under the Preferential Offering, provided the amount applied for (including the pro rata entitlements) does not exceed the maximum subscription amount of S$140.0m

Sponsor will rank last in the allocation of ESR Excess Units under the Preferential Offering Unit applications.

The above Method of *Financing the Acquisitions* are to be read in conjunction with the full text and context set out in Paragraph 5 on pages 59 to 64 of this Circular.

Notes: (1) Please refer to the Manager's announcement dated 13 August 2024 titled "*Pricing of Additional S$100,000,000 6.00% Subordinated Perpetual Securities (the "Additional New Securities") to be Consolidated with New Securities Issued Pursuant to Exchange Offer Comprised in Series 009*" for further details.

Opinion of the Independent Financial Adviser

Resolution 2: The Singapore Acquisition

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the Independent Financial Adviser is of the opinion that the Singapore Acquisition (including the Singapore Income Support, the issuance of the LOGOS Consideration Units and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement), is based on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

Accordingly, the Independent Financial Adviser advises the Independent Directors and the ARCC to recommend that the Unitholders vote at the EGM in favour of the resolution for the Singapore Acquisition.

Deloitte.

Independent Financial Adviser to the independent directors of the Manager, the Audit, Risk Management and Compliance Committee of the Manager and Trustee

IT IS IMPORTANT THAT YOU READ THE ABOVE IN CONJUNCTION WITH THE FULL TEXT AND CONTEXT OF THE CIRCULAR AND THE IFA LETTER, WHICH CAN BE FOUND IN APPENDIX E TO THE CIRCULAR. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE OPINION OF THE IFA.

Approvals Required and Directors' Recommendation

Ordinary Resolution[1]	Approvals	Directors' Recommendations	Abstentions from Voting
Resolution 1	The Manager is seeking approval from unitholders for the proposed Japan Acquisition, as an interested person transaction	"Having regard to the **rationale for and key benefits of the Japan Acquisition** as set out in paragraph 4 above and the independent valuation reports on the New Japan Property issued by the Japan Independent Valuers, the Independent Directors and the Audit, Risk Management and Compliance Committee of the Manager believe that the Japan Acquisition **is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.** Accordingly, the Independent Directors and the Audit, Risk Management and Compliance Committee **recommend that Unitholders vote at the EGM in favour** of Resolution 1"	• Sponsor and its associates • LOGOS Group and its associates • Manager and the shareholders of the Manager • Following directors of the Manager (Mr George Agethen, Mr Stuart Gibson, Mr Shen Jinchu, Jeffrey)
Resolution 2	The Manager is seeking approval from unitholders for the proposed Singapore Acquisition and the proposed issuance of LOGOS Consideration Units, as interested person transactions, and the proposed issuance of Ivanhoe Consideration Units	"Based on the opinion of the Independent Financial Adviser (as set out in the IFA Letter in Appendix E of this Circular) and having regard to the **rationale for and key benefits of the Singapore Acquisition** as set out in paragraph 4 above, the Independent Directors and the Audit, Risk Management and Compliance Committee believe that the Singapore Acquisition (including the issuance of the LOGOS Consideration Units to LOGOS Units No. 1 Ltd and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement), which is put in place to ensure certainty of completion of the Singapore Acquisition) **is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders**. Accordingly, the Independent Directors and the Audit, Risk Management and Compliance Committee **recommend that Unitholders vote at the EGM in favour** of Resolution 2."	
Resolution 3	The Manager is seeking approval from unitholders for the proposed issuance of up to 308,196,721 new Units under the Preferential Offering at S$0.305 per new Unit, pursuant to Rule 805(1) and Rule 816(2) of the Listing Manual	"Based on the **rationale for the Preferential Offering** as set out in paragraph 7.7 above, the Independent Directors and the ARCC believe that the issuance of new Units under the Preferential Offering at S$0.305 per new **Units is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders**. Accordingly, the Independent Directors and the Audit, Risk Management and Compliance Committee **recommend that Unitholders vote at the EGM in favour** of Resolution 3."	

Resolutions 1, 2 and 3 are inter-conditional

Notes: (1) An ordinary resolution is a resolution proposed and passed as such by a majority being greater than 50.0% 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.

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CORPORATE INFORMATION

Directors of ESR-LOGOS Funds Management (S) Limited (the manager of E-LOG) (the "Manager")	:	Ms Stefanie Yuen Thio (Independent Non-Executive Chairperson) Mr Ronald Lim (Independent Non-Executive Director) Mr Nagaraj Sivaram (Independent Non-Executive Director) Dr Julie Lo Lai Wan (Independent Non-Executive Director) Mr Loi Pok Yen (Independent Non-Executive Director) Mr George Agethen (Non-Executive Director) Mr Shen Jinchu, Jeffrey (Non-Executive Director) Mr Stuart Gibson (Non-Executive Director) Mr Adrian Chui (Chief Executive Officer and Executive Director)
Registered Office of the Manager	:	5 Temasek Boulevard #12-09 Suntec Tower 5 Singapore 038985
Trustee of E-LOG (the "Trustee")	:	Perpetual (Asia) Limited 8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
Legal Adviser to the Manager as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Trustee as to Singapore Law	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Legal Adviser to the Manager as to Japan Law	:	Mori Hamada & Matsumoto 2-6-1 Marunouchi, Chiyoda-ku, Tokyo Marunouchi Park Building 100-8222, Japan

Unit Registrar	:	Boardroom Corporate and Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632
Independent Valuers for the New Japan Property ("Japan Independent Valuers")	:	**Colliers International Japan KK** ("**Colliers**") (appointed by the Trustee) Marunouchi Nijubashi Building 18F 3-2-3, Marunouchi Chiyoda-ku Tokyo 100-0005, Japan **CBRE K.K.** ("**CBRE**") (appointed by the Manager) Meiji Yasuda Seimei Bldg. 21F 2-1-1 Marunouchi, Chiyoda-ku Tokyo 100-0005, Japan
Independent Valuers for the New Singapore Property ("Singapore Independent Valuers")	:	**Cushman & Wakefield VHS Pte. Ltd.** ("**Cushman**") (appointed by the Trustee) 88 Market Street #47-01, CapitaSpring Singapore 048948 **Savills Valuation and Professional Services (S) Pte Ltd** ("**Savills**") (appointed by the Manager) 30 Cecil Street #20-03, Prudential Tower Singapore 049712
Independent Market Research Consultant for the New Japan Property ("Japan IMR Consultant")	:	**JLL Morii Valuation & Advisory K.K.** Shimbashi i-Mark Building 3F 2-6-2 Shimbashi, Minato-ku, Tokyo 105-0004, Japan
Independent Market Research Consultant for the New Singapore Property ("Singapore IMR Consultant")	:	**Knight Frank Pte Ltd** 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Independent Financial Adviser to the independent directors of the Manager ("Independent Directors"), the Audit, Risk Management and Compliance Committee of the Manager ("Audit, Risk Management and Compliance Committee") and the Trustee (the "Independent Financial Adviser")	:	**Deloitte & Touche Corporate Finance Pte Ltd** 6 Shenton Way #33-00, OUE Downtown Singapore 068809

OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 85 to 96 of this Circular.

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

For illustrative purposes, certain JPY amounts have been translated into Singapore Dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rate of JPY 100.00 = S$0.848. Such translations should not be construed as representations that JPY amounts referred to could have been, or could be, converted into Singapore Dollars, as the case may be, at that or any other rate or at all.

OVERVIEW OF ESR-LOGOS REIT ("E-LOG")

E-LOG is a leading New Economy[1] and future-ready Asia Pacific Singapore real estate investment trust. Listed on the SGX-ST since 25 July 2006, E-LOG invests in quality income-producing industrial properties in key gateway markets.

As at 30 June 2024, E-LOG holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S$5.0 billion. Its portfolio comprises 71 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (18 assets) and Japan (1 asset) (the "**Existing Properties**"), with a total gross floor area of approximately 2.1 million sqm, as well as investments in three property funds in Australia (the "**Existing Australia Funds**", and collectively with the Existing Properties, the "**Existing Portfolio**"). E-LOG is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

Additionally, on 1 February 2024, E-LOG entered into a subscription agreement to invest US$70.0 million in ESR Japan Income Fund ("**JIF**") through ESR Japan Income Fund SCSp.[2]

OVERVIEW OF THE ACQUISITIONS

The Japan Acquisition

1 "**New Economy**" means the logistics and high-specifications industrial space which caters to the dominant technology-centric sectors such as e-commerce, logistics, data-centre info-comm and advanced manufacturing. For example, modern ramp-up logistics space which integrates the use of technology has overtaken traditional cargo-lift warehouses as the dominant form of industrial real estate as it is essential for the rapid delivery of goods via e-commerce.

2 Please refer to the Manager's announcement dated 1 February 2024 titled "US$70 Million Investment in ESR Japan Income Fund" for more information.

The Manager proposes that E-LOG acquires a logistics property known as ESR Yatomi Kisosaki Distribution Centre located at 1- 3-4 chome and others, Shinwa, Kisosaki-cho, Kuwana-gun, Mie-ken (the "**New Japan Property**"), by way of an acquisition of 100.0% of the trust beneficiary interest of the New Japan Property (the "**Japan Acquisition**") for a purchase consideration of JPY 38,000 million (approximately S$322.2 million). The New Japan Property has a CASBEE A Sustainability Rating[1], which is one of the highest functional standards for grading green buildings in Japan.

The Singapore Acquisition

The Manager proposes that E-LOG acquires a 51.0% interest in a Singapore property comprising a high-specifications manufacturing facility and newly constructed four-storey ("**Phase 1**") and two-storey ("**Phase 2**")[2] ramp-up logistics warehouses which is Green Mark Platinum certified with modern specifications located at 20 Tuas South Avenue 14, Singapore 637312 (the "**New Singapore Property**"), by way of an acquisition of 51.0% of the shares in LSLV Project 5 Pte Ltd (the "**Singapore TargetCo**"), which indirectly holds the New Singapore Property (the "**Singapore Acquisition**", collectively with the Japan Acquisition, the "**Acquisitions**") for a purchase consideration of S$223.9 million (the "**Singapore Purchase Consideration**"). Together with E-LOG's proportionate share of the repayment of the Existing Loan Settlement Sum[3] amounting to approximately S$210.3 million, E-LOG's outlay for the Singapore Acquisition, excluding transaction costs, is S$434.2 million.

For the purposes of this Circular, "**Enlarged Portfolio**" comprises the Existing Portfolio and the New Japan Property and the New Singapore Property. (See **Appendix A** of this Circular for further details on the New Japan Property and the New Singapore Property.)

The property information contained in this Circular on the Existing Portfolio and Enlarged Portfolio is as at 30 June 2024 unless otherwise stated.

The Acquisitions are strategic assets which fit within E-LOG's "4R Strategy" and also serves to demonstrate the Sponsor's commitment to grow E-LOG and the Sponsor's continued alignment of interests with Unitholders.

Method of Financing

The Manager intends to fund both the Acquisitions via (i) debt financing, (ii) the issuance

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1 "**CASBEE**" refers to Comprehensive Assessment System for Built Environment Efficiency, which is a green building rating system developed in Japan. The gradings of CASBEE are ranked in 5 grades: Superior (S), Very Good (A), Good (B+), Slightly Poor (B-) and Poor (C).

2 Phase 1 and Phase 2 have obtained the full temporary occupation permits in July 2022 and December 2022 respectively.

3 "**Existing Loan Settlement Sum**" means the sum of the principal loan amount outstanding as at the closing date of the Singapore Acquisition under the existing loan agreements of the Singapore PropCo and all other outstanding amounts payable by the Singapore TargetCo and/or the Singapore PropCo as at the closing date of the Singapore Acquisition for full repayment of their liabilities and obligations under or pursuant to their existing loan agreements, including any accrued interest and other sums (if any) payable upon the discharge of such liabilities and obligations and the discharge of relevant security documents (including but not limited to, any accrued interest outstanding, break fees, prepayment amounts, cancellation fees and termination costs contemplated by the existing loan agreements of the Singapore PropCo.

of LOGOS Consideration Units (as defined herein) in relation to the Singapore Acquisition (iii) a combination of one or more of the issuance of Units via a preferential offering of new Units (the "**Preferential Offering**") and the issuance of Ivanhoe Consideration Units (as defined herein) in relation to the Singapore Acquisition; and (iv) the S$100.0 million of the proceeds raised from E-LOG's issuance of S$174,750,000 in aggregate principal amount of 6.00% subordinated perpetual securities under E-LOG's S$750,000,000 multicurrency debt issuance programme comprised in Series 009 (the "**Perpetual Securities**")[1].

The aggregate of (i) the proceeds raised from the Preferential Offering, (ii) the proceeds raised from the issuance of the Ivanhoe Consideration Units (as defined herein) (if any) and (iii) S$100.0 million from the Perpetual Securities (the "**Perpetual Securities Proceeds**") shall not exceed S$194.0 million.

Debt Financing

As at the Latest Practicable Date, the Manager has secured various committed debt financing term sheets from banks for the purposes of general corporate funding purposes including, but not limited to, financing the Acquisitions, refinancing of existing indebtedness and application towards other general working capital purposes.

In relation to the Japan Acquisition, E-LOG has secured the following committed debt financing term sheets:

(i) an onshore secured term loan facility of JPY 22,800 million (approximately S$193.3 million) from Sumitomo Mitsui Banking Corporation; and

(ii) an offshore unsecured term loan facility of JPY 15,500 million (approximately S$131.4 million) from Malayan Banking Berhad, Singapore Branch and Mizuho Bank, Ltd.

In relation to the Singapore Acquisition, E-LOG has secured the following committed green debt financing term sheets:

(i) a secured term loan facility of S$341.5 million (with a green loan tranche of S$108.6 million) from CIMB Bank Berhad, Singapore Branch, DBS Bank Ltd., Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, and Sumitomo Mitsui Banking Corporation Singapore Branch, of which net proceeds of approximately S$172.0 million, being E-LOG's proportionate share of net proceeds, will be utilised to complete the Singapore Acquisition[2]; and

(ii) an unsecured sustainability linked loan of S$225.0 million from The Hongkong and

1 Please refer to the Manager's announcement dated 13 August 2024 titled "*Pricing of Additional S$100,000,000 6.00% Subordinated Perpetual Securities (the "Additional New Securities") to be Consolidated with New Securities Issued Pursuant to Exchange Offer Comprised in Series 009*" for further details.

2 As the secured term loan facility will be entered into at the Singapore PropCo level, E-LOG's proportionate share of the net proceeds will correlate to E-LOG's indirect 51.0% interest in the Singapore PropCo following the completion of the Singapore Acquisition.

Shanghai Banking Corporation Limited, Singapore Branch, CIMB Bank Berhad, Singapore Branch, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch, of which net proceeds of approximately S$70.0 million will be utilised to complete the Singapore Acquisition.

Preferential Offering, Consideration Units and Perpetual Securities

The Acquisitions are intended to be funded by the Preferential Offering, and such Preferential Offering would not be underwritten[1] and shall comprise an offering of new Units at an issue price ("**Issue Price**") of S$0.305 per Unit to existing Unitholders to raise gross proceeds of up to S$94.0 million. The new Units under the Preferential Offering (the "**Preferential Offering Units**") represents approximately 4.0% of the total number of issued Units as at the Latest Practicable Date. As one of the resolutions in the EGM to be convened relates to the Preferential Offering, the Preferential Offering will be launched only after the EGM.

For the avoidance of doubt, the proceeds from the 2023 equity fund raising[2] will not be used for the Acquisitions as these proceeds have been earmarked for the potential redevelopment of an existing logistics asset.

Approximately S$6.3 million worth of consideration Units is expected to be issued to LOGOS Units No. 1 Ltd[3] (the "**LOGOS Consideration Units**") at an Issue Price of S$0.305 per Unit. The LOGOS Consideration Units would be issued regardless of the amount raised in the Preferential Offering.

Additionally, the Singapore Acquisition may be partly paid with the issuance of consideration Units of up to S$5.8 million to Ivanhoe Cambridge Asia Inc. ("**Ivanhoe Cambridge**", and together with LOGOS Units No. 1 Ltd, the "**Singapore Acquisition Vendors' Nominees**") (the "**Ivanhoe Consideration Units**", and together with the LOGOS Consideration Units, the "**Consideration Units**") at an Issue Price of S$0.305 per Unit, depending on the amount which is raised in the Preferential Offering.

(See paragraphs 5.1.4 and 5.1.5 of the Letter to Unitholders for further details on the circumstances under which the Ivanhoe Cambridge Units will be issued.)

ESR Irrevocable Undertaking

In connection with the Preferential Offering, the Sponsor has provided an irrevocable

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1 The Preferential Offering is not underwritten in view that the Acquisitions will have sufficient funding in light of the method of financing which takes into account the Sponsor's irrevocable undertaking given pursuant to the ESR IU (as defined herein) and the issuance of the Consideration Units to the Singapore Acquisition Vendors' Nominees.

2 Please refer to the announcement titled "*Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less than Approximately S$300.0 Million*" dated 16 February 2023. As at the Latest Practicable Date, approximately S$4.7 million of the proceeds has been utilised and approximately S$295.0 million of the proceeds remain pending utilisation.

3 LOGOS Units No. 1 Ltd is part of the group comprising the Singapore Acquisition Vendors and is also an indirect wholly-owned subsidiary of the Sponsor. It was commercially agreed that the LOGOS Consideration Units will be issued to LOGOS Units No. 1 Ltd and the issuance of the LOGOS Consideration Units further demonstrates the Sponsor's alignment of interest with Unitholders.

undertaking to procure e-Shang Infinity Cayman Limited ("**e-Shang Infinity**")[1] to subscribe for up to S$140.0 million (the "**ESR IU**") (comprising up to S$17.4 million of subscription for e-Shang Infinity's pro rata entitlement (the "**ESR Pro-Rata**", and the Units to be subscribed under the ESR Pro-Rata, the "**ESR Pro-Rata Units**") and up to S$122.6 million for application for excess Units (the "**ESR Excess**", and the Units (if any) to be subscribed under the ESR Excess the "**ESR Excess Units**")) at an Issue Price of S$0.305 per Unit. e-Shang Infinity's undertaking to subscribe for the ESR Excess Units shall be reduced by any amount raised from (i) the Preferential Offering (other than subscriptions from e-Shang Infinity) (the "**Third Party Proceeds**") and (ii) the Instruments Proceeds[2], in excess of S$48.2 million.

(See paragraph 5 of the Letter to Unitholders for further details on the Preferential Offering, the ESR IU and the Ivanhoe Consideration Units.)

In light of the Perpetual Securities Proceeds, the size of the Preferential Offering has been reduced to S$94.0 million and this will in turn cause the maximum number of Ivanhoe Consideration Units to be issued to be S$5.8 million and the maximum subscription amount by e-Shang Infinity to be S$88.2 million.

(See paragraphs 5.1.4 and 5.1.5 of the Letter to Unitholders for the waterfall illustration on how the Perpetual Securities Proceeds, the Preferential Offering and the ESR IU interact).

SUMMARY OF APPROVALS SOUGHT

The Manager is seeking approval from unitholders of E-LOG ("**Unitholders**") for:

(i) **Resolution 1:** the Japan Acquisition, as an interested person transaction (Ordinary Resolution);

(ii) **Resolution 2:** the Singapore Acquisition and the proposed issuance of LOGOS Consideration Units, as interested person transactions, and the proposed issuance of Ivanhoe Consideration Units (Ordinary Resolution); and

(iii) **Resolution 3**: the proposed issuance of up to 308,196,721 new Units under the Preferential Offering at S$0.305 per new Unit, pursuant to Rule 805(1) and Rule 816(2) of the Listing Manual (Ordinary Resolution).

Unitholders should note that Resolutions 1, 2 and 3 are inter-conditional. In the event that any of Resolutions 1, 2 and 3 is not passed, the Manager will not proceed with the Acquisitions.

The Sponsor believes that both Acquisitions are transformational and will improve E-LOG's asset and earnings quality meaningfully. In order to secure both the Japan Acquisition and the Singapore Acquisition for E-LOG, which are beneficial to E-LOG and fits within E-LOG's

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1 e-Shang Infinity Cayman Limited is a wholly-owned subsidiary of the Sponsor. For the avoidance of doubt, apart from e-Shang Infinity, the other entities of the Sponsor which hold Units would not be applying for their pro rata entitlement units in the Preferential Offering.

2 "**Instruments Proceeds**" means the amount raised from E-LOG's issuance of capital market instruments (other than instruments which add to the aggregate leverage of E-LOG).

"4R Strategy" and for the reasons set out in paragraph 4 of the Letter to Unitholders, the Sponsor has convinced the respective vendors of the New Japan Property and the New Singapore Property to sell to E-LOG. The Sponsor only holds an indirect interest of 5.0% in the New Japan Property and an indirect interest of 3.1% in the New Singapore Property. Further, the Manager has been able to reach an agreement with the respective vendors to sell the New Japan Property and the New Singapore Property together at a 2.3% discount each to (i) in relation to the New Japan Property, the average valuation (including the Japan NPI Support) as set out in paragraph 2.2.2 of the Letter to Unitholders; and (ii) in relation to the New Singapore Property, the average valuation (which does not take into account the Singapore Income Support) as set out in paragraph 3.2.2 of the Letter to Unitholders.

In addition, the Sponsor has provided the ESR IU to procure the subscription by e-Shang Infinity of up to S$140.0 million for the Preferential Offering at an Issue Price of S$0.305, which is at a premium to the closing market price of S$0.275 as at 30 July 2024, being the day prior to the announcement of the Acquisitions[1], and at the net asset value ("**NAV**") per Unit of S$0.305 as at 30 June 2024. By agreeing to subscribe for Units at a premium to the market price, the Sponsor believes that the Units are currently undervalued, and the Sponsor's subscription further demonstrates its support for E-LOG and alignment of interest with Unitholders. The Preferential Offering will ensure that E-LOG's aggregate leverage remains at an appropriate level of 41.0% on a pro forma basis[2] post-completion of the Acquisitions.

Given the Sponsor's support in providing the ESR IU, which will be utilised towards funding the Acquisitions, and convincing the Japan Acquisition Vendor (as defined herein) and the Singapore Acquisition Vendors (as defined herein) to sell to E-LOG, the resolutions for the Japan Acquisition and the Singapore Acquisition are inter-conditional. As the Preferential Offering is to ensure that E-LOG has sufficient funding to acquire the Japan Acquisition and the Singapore Acquisition while maintaining an appropriate level of aggregate leverage, the resolution for the Preferential Offering is also inter-conditional with the resolutions for the Japan Acquisition and the Singapore Acquisition.

RESOLUTION 1: THE JAPAN ACQUISITION, AS AN INTERESTED PERSON TRANSACTION

Overview of the Japan Acquisition

On 30 July 2024, E-LOG through its indirect wholly-owned Japan *tokutei mokuteki kaisha* ("**TMK**")[3], ESR-LOGOS REIT TMK2 ("**ESR TMK**"), entered into a sale and purchase

1 Please refer to the announcement titled "*The Proposed Acquisition of (I) 100% Trust Beneficiary Interest in ESR Yatomi Kisosaki Distribution Centre in Japan; and (II) 51.0% Interest in 20 Tuas South Avenue 14 in Singapore*" dated 31 July 2024.

2 Refer to paragraph 5.2 of the Letter to Unitholders on the pro forma financial effects of the Acquisitions.

3 A TMK is a corporate entity often used for real estate investments where the TMK acquires actual real properties or trust beneficiary interest. A TMK in most cases are structured to be bankruptcy-remote and is independent from any

agreement (the "**Japan Sale and Purchase Agreement**") with Kisosaki TMK (the "**Japan Acquisition Vendor**")[1], to acquire 100.0% of the trust beneficiary interest[2] in the New Japan Property from the Japan Acquisition Vendor for a purchase consideration of JPY 38,000 million (approximately S$322.2 million) (the "**Japan Purchase Consideration**").

(See **Appendix F** for a diagrammatic illustration on the structure of the Japan Acquisition.)

Description of the New Japan Property

The New Japan Property is a four-storey double ramp-up modern logistics facility in Greater Nagoya, Japan, with a total land area of 79,096 sqm, a committed occupancy rate of 89.4%[3] and a weighted average lease expiry ("**WALE**") of 2.7 years as at 30 June 2024. The New Japan Property is freehold, was completed on 28 April 2022, and has a CASBEE A Sustainability Rating,[4] which is one of the highest functional standards for grading green buildings in Japan.

(See **Appendix A** of this Circular for further details on the New Japan Property.)

Purchase Consideration and Valuation

Japan Purchase Consideration

The Japan Purchase Consideration for the Japan Acquisition is JPY 38,000 million (approximately S$322.2 million).

The Japan Purchase Consideration was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the New Japan Property.

Valuation of the New Japan Property

The Trustee has commissioned an independent valuer, Colliers, and the Manager has commissioned an independent valuer, CBRE (collectively, the "**Japan Independent Valuers**") to value the New Japan Property. The valuations of the New Japan Property as at 30 June 2024 are set out below.

	Colliers	**CBRE**
Market Valuations with the Japan NPI Support (as defined herein)	JPY 38,910 million	JPY 38,900 million

other entities. This structure provides limited liability to the investors and is able to avail of a special tax treatment such that the TMK pays minimal or no Japanese corporate income tax if certain requirements are met.

1 The Japan Acquisition Vendor is a TMK incorporated under the laws of Japan. The investors in the Japan Acquisition Vendor include a third party investor (with an effective stake of 95.0%) and ESR Group Limited (the "**Sponsor**") (with an effective stake of 5.0%). The Japan Acquisition Vendor is managed by ESR LTD. ("**ESR Japan**").

2 Real estate may be held in the form of a trust beneficiary interest by entrusting the real estate to a trust. Trust beneficiary interest is issued by a trust bank licensed in Japan. This is a common ownership structure for foreign asset ownership in Japan to optimise certain transaction taxes, such as real estate acquisition or registration tax.

3 Includes a new tenant secured by ESR Japan in July 2024. ESR Japan is in advanced negotiations with another potential tenant which would further increase the occupancy to 93.2% and the WALE to 2.8 years.

4 The gradings of CASBEE are ranked in 5 grades: Superior (S), Very Good (A), Good (B+), Slightly Poor (B-) and Poor (C).

	(approximately S$330.0 million)	(approximately S$329.9 million)
Market Valuations without the Japan NPI Support	JPY 38,710 million (approximately S$328.3 million)	JPY 38,800 million (approximately S$329.0 million)
Average Valuation with the Japan NPI Support	JPY 38,905 million (approximately S$329.9 million)	
Japan Purchase Consideration	**JPY 38,000 million (approximately S$322.2 million)**	
Discount to Average Valuation	***2.3%***	

Japan NPI Support for the New Japan Property

The New Japan Property is currently not at full occupancy as it is undergoing its first cycle of lease expiries and renewals. Hence, the Manager has negotiated for the net property income ("**NPI**") support to be given by the Japan Acquisition Vendor (the "**Japan NPI Support**") for the benefit of E-LOG to mitigate potential leasing risks and provide income stability for the next 12 months following the completion of the Japan Acquisition (the "**Japan NPI Support Period**") for an amount of up to JPY 400 million (approximately S$3.4 million) (the "**Japan NPI Support Amount**"). In addition, the Japan NPI Support will also be used to cover any rent-free period(s) provided to new tenant(s) for securing new lease(s).

Pursuant to the Japan Sale and Purchase Agreement, in respect of the New Japan Property, the Japan Acquisition Vendor shall provide the Japan NPI Support Amount of up to JPY 400 million (approximately S$3.4 million). The Japan NPI Support Amount is determined based on the aggregate of (i) expected rental income assuming the current vacant space is leased up based on market rents, which are in line with the current rates being charged for the rest of the tenanted spaces in the New Japan Property, and (ii) estimated leasing costs and incentives that may be incurred during the Japan NPI Support Period.

In spite of the provision of the Japan NPI Support, ESR Japan is proactively engaging new prospects and existing tenants to fill up the remaining vacant space.

Each of the Japan Independent Valuers is of the opinion that the Japan NPI Support is in line with market rental rates.

(See paragraph 2.4.2 of the Letter to Unitholders for further details of the Japan NPI Support.)

In arriving at the market value of the New Japan Property, the Japan Independent Valuers relied on (i) the income approach, comprising of the direct capitalisation approach and discounted cash flow ("**DCF**") analysis methods; and (ii) the cost approach.

(See **Appendix C** for the valuation summary reports and valuation certificates by the Japan

Independent Valuers for further details.)

Total Japan Acquisition Outlay

The total acquisition outlay for the Japan Acquisition (the "**Total Japan Acquisition Outlay**") is JPY 38,681 million (approximately S$328.0 million), comprising:

(i) the Japan Purchase Consideration of JPY 38,000 million (approximately S$322.2 million);

(ii) the acquisition fee ("**Japan Acquisition Fee**") of JPY 380 million (approximately S$3.2 million) payable in Units to the Manager[1] (the "**Japan Acquisition Fee Units**"); and

(iii) other costs including stamp duty, the estimated professional and other fees and expenses[2] of JPY 301 million (approximately S$2.6 million) incurred or to be incurred by E-LOG in connection with the Japan Acquisition.

The Japan Acquisition as an Interested Person Transaction Pursuant to the Listing Manual and Interested Party Transaction Pursuant to the Property Funds Appendix.

The Japan Acquisition between the Japan Acquisition Vendor (being a TMK and partly held by the Sponsor, which is in turn a "controlling shareholder" of the Manager) and E-LOG will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**") and an "interested party transaction" as defined under Appendix 6 of the Code on Collective Investment Schemes published by the Monetary Authority of Singapore (the "**Property Funds Appendix**").

(See paragraph 6.3.1 of the Letter to Unitholders for further details.)

RESOLUTION 2: THE SINGAPORE ACQUISITION AND THE PROPOSED ISSUANCE OF LOGOS CONSIDERATION UNITS, AS INTERESTED PERSON TRANSACTIONS, AND THE PROPOSED ISSUANCE OF IVANHOE CONSIDERATION UNITS

Overview of the Singapore Acquisition

On 31 July 2024, E-LOG, through Perpetual (Asia) Limited, in its capacity as trustee of ALOG Trust, a sub-trust of E-LOG (the "**ALOG Trustee**", and the ALOG Trustee as purchaser, the "**ALOG Purchaser**") entered into a share purchase agreement (the "**Singapore Share Purchase Agreement**") with LOGOS TSA Venture SPV 2 Pte. Ltd. (the "**New LOGOS Core Fund Purchaser**")[3], LSLV General Partner ("**LSLV GP**") and LSAV 1

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1 As the Japan Acquisition constitutes an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be payable in Units which shall not be sold one year from the date of issuance in accordance with the Property Funds Appendix.

2 Such fees and expenses include due diligence costs, financing costs and acquisition costs such as legal expenses and other professional costs.

3 The New LOGOS Core Fund Purchaser is held by LOGOS Property Group Limited, Ivanhoe Cambridge and other non-related third party limited partners.

Portfolio Ltd. ("**LSAV 1**", and together with LSLV GP, the "**Singapore Acquisition Vendors**"), in order for the ALOG Purchaser and the New LOGOS Core Fund Purchaser to acquire 51.0% and 49.0% of the shares in the Singapore TargetCo respectively, which indirectly holds the New Singapore Property, for a purchase consideration of approximately S$223.9 million, representing the ALOG Purchaser's 51.0% interest in the Singapore TargetCo. Upon completion of the Singapore Acquisition, the Singapore TargetCo will hold 100.0% of the shares in Tuas South Avenue Pte. Ltd. (the "**Singapore PropCo**")[1], which will in turn hold the New Singapore Property.

As at the date of the Singapore Share Purchase Agreement, the Singapore TargetCo holds 51.0% of Singapore PropCo and the Singapore PropCo holds the New Singapore Property. As at the date of the Singapore Share Purchase Agreement, the LOGOS Group holds indirectly a 3.0% interest in the Singapore TargetCo and a 1.6% interest in the Singapore PropCo. The other shareholders of the Singapore TargetCo and the Singapore PropCo are unrelated third parties, which includes Ivanhoe Cambridge. Prior to completion of the Singapore Share Purchase Agreement, the Singapore TargetCo will hold 100% of the Singapore PropCo. Upon completion of the Singapore Share Purchase Agreement, E-LOG, through the ALOG Trustee, will hold 51.0% of the Singapore TargetCo and the New LOGOS Core Fund Purchaser (which comprise the LOGOS Group, the current existing shareholders of the Singapore TargetCo and the Singapore PropCo and a new third party) will hold the balance 49.0%.

(See **Appendix F** for a diagrammatic illustration on the structure of the Singapore Acquisition.)

Description of the New Singapore Property

The New Singapore Property

The New Singapore Property comprises a high-specifications manufacturing facility and newly constructed ramp-up logistics warehouses which is Green Mark Platinum certified with modern specifications at 20 Tuas South Avenue 14, Singapore 637312 sitting on a total land area of 252,733 sqm, and has an occupancy of 99.7% and a WALE of 11.2 years as at 30 June 2024. The New Singapore Property is a leasehold property (with approximately 44 years remaining[2] as at 30 June 2024).

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1 At the date of entry into the Singapore Share Purchase Agreement, the Singapore TargetCo owns 51.0% of the issued shares in the Singapore PropCo. Under the Singapore Share Purchase Agreement, the Singapore TargetCo will complete the acquisition of the remaining 49.0% of the issued shares in the Singapore PropCo held by other sellers (the "**Other Sellers**") such that the Singapore TargetCo will hold 100.0% of the issued shares in the Singapore PropCo at completion of the Singapore Acquisition (the "**Restructuring**"). See paragraph 3.4.2 of the Letter to Unitholders for further details on the principal terms of the Singapore Share Purchase Agreement.

2 Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease. <u>For the avoidance of doubt, the payment of land premium is not a condition precedent under the Singapore Share Purchase Agreement and JTC will inform the Singapore PropCo of the exact amount of land premium payable (which will be based on the prevailing market price) closer to 22 June 2038.</u>

The New Singapore Property is located in Tuas, which is situated in the Western region of Singapore which hosts the country's largest manufacturing hub. Under the Urban Redevelopment Authority's 2019 master plan, three new business sectors, namely Jurong Lake District, Jurong Innovation District and the Tuas Mega Port, will be created within this region. Given its close proximity to Tuas Mega Port, the New Singapore Property is able to capture the in-built demand for both logistics space and warehousing space, including specialised storage such as cold storage and dangerous goods. The New Singapore Property also enjoys excellent access to the Jurong Tuas industrial estate and rest of Singapore via the Ayer Rajah Expressway.

In respect of the New Singapore Property:

(i) the existing high-specifications manufacturing facility is 100% leased to REC Solar Pte. Ltd. ("**REC Solar**") for approximately 19 years (from 10 January 2019 to 21 June 2038) (the "**REC Initial Term**") with an option to renew for a further 20 years[1] (the "**REC Option Term**"); and

(ii) the ramp-up logistics warehouses are leased to various blue-chip tenants (such as Schneider Electric Asia Pte. Ltd., Maersk Logistics and Services Singapore Pte Ltd and DSV Solutions Pte. Ltd.) on a multi-tenanted basis with a WALE of 6.0 years as at 30 June 2024.

(See **Appendix A** of this Circular for further details on the New Singapore Property.)

Purchase Consideration and Valuation

Singapore Purchase Consideration

The Singapore Purchase Consideration shall be based on the aggregated NAV of the Singapore TargetCo and the Singapore PropCo, which takes into account the assets and liabilities of the Singapore TargetCo and the Singapore PropCo, including the agreed market value of the New Singapore Property (the "**Agreed Value**") of S$840.0 million. The Agreed Value of the New Singapore Property was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of the New Singapore Property.

Singapore Purchase Consideration	S$ million
Agreed Value	840.0
Add: Other estimated net assets	11.4
Less: Existing Loan Settlement Sum	(412.4)
Aggregated NAV to be acquired (100.0% basis)	**439.0**

1 Should REC Solar exercise the option to renew, the average rent payable per month for the REC Option Term will be approximately 46% of the average rent payable per month for the period of 1 December 2021 to 21 June 2038 (based on the restructured rent period of the lease with REC Solar). See paragraph 3.2.3 of the Letter to Unitholders for further details.

Singapore Purchase Consideration (51.0% basis)	**223.9**

The Singapore Purchase Consideration payable will be subject to completion adjustments[1] and is estimated to be approximately S$223.9 million. Pursuant to the Singapore Share Purchase Agreement, the LOGOS Consideration Units of approximately S$6.3 million would be issued to LSAV 1 or its nominee as part payment of the Singapore Purchase Consideration. LSAV 1 intends to nominate LOGOS Units No. 1 Ltd to receive the LOGOS Consideration Units. Additionally, the Ivanhoe Consideration Units may be issued to Ivanhoe Cambridge depending on the amount which is raised in the Preferential Offering[2].

The Singapore Acquisition may be partly paid with the issuance of the Ivanhoe Consideration Units of up to S$5.8 million, depending on the amount which is raised in the Preferential Offering.

(See paragraphs 3.2 and 5.1 of the Letter to Unitholders for further details on the Singapore Purchase Consideration, the Preferential Offering and the Consideration Units.)

In approving the Singapore Acquisition, Unitholders are deemed to have approved the issuance of the Consideration Units at an Issue Price of S$0.305 per Unit to the Singapore Acquisition Vendors' Nominees upon completion of the Singapore Acquisition.

Valuation of the New Singapore Property

The Trustee has commissioned an independent valuer, Cushman, and the Manager has commissioned an independent valuer, Savills (collectively, the "**Singapore Independent Valuers**") to value the New Singapore Property. The valuations of the New Singapore Property as at 30 June 2024 are set out below.

	Cushman	Savills
Market Valuations	S$859.7 million	S$859.0 million
Average Valuation	S$859.4 million	
Agreed Value	**S$840.0 million**	
Discount to Average Valuation	***2.3%***	

1 The Singapore Purchase Consideration will be adjusted upwards or downwards in accordance with the Singapore Share Purchase Agreement depending on the aggregated final net asset value of the Singapore TargetCo and the Singapore PropCo as at the closing date of the Singapore Share Purchase Agreement.

2 Please refer to paragraph 5.1 of the Letter to Unitholders for further details on the Preferential Offering and the Ivanhoe Consideration Units.

In arriving at the market value of the New Singapore Property, Savills relied on the income capitalisation method and DCF analysis while Cushman relied on the DCF analysis, capitalisation method and, where appropriate, the sales comparison method.

(See **Appendix C** of this Circular for the valuation summary reports and valuation certificates by the Singapore Independent Valuers for further details.)

Singapore Income Support for the New Singapore Property

E-LOG intends to hedge interest rate exposure for the debt used to finance the Singapore Acquisition. Due to the current volatility across Singapore interest rates, there is uncertainty as to the level of interest rate E-LOG is able hedge on completion. Accordingly, notwithstanding the New Singapore Property operating at a stabilised occupancy of 99.7%, adverse movements in interest rates may result in lower net income.

Accordingly, to address the above-mentioned situation where changes in interest rate would affect the net income of the New Singapore Property, the ALOG Trustee and the Singapore Acquisition Vendors, among others, have entered into a deed of income support (the "**Deed of Income Support**") for the Singapore Acquisition Vendors to top-up an amount in relation to the New Singapore Property (the "**Singapore Income Support**") of up to S$3,519,000 (the "**Singapore Income Support Amount**") to the ALOG Trustee over a period of 12 months after the completion of the Singapore Acquisition (the "**Singapore Income Support Period**") based on a target aggregate Net Income[1] of the New Singapore Property of S$20,600,000 (the "**Singapore Target Net Income**").

The Singapore Income Support shall apply to the New Singapore Property such that in the event that there is any shortfall between the aggregate Net Income of the New Singapore Property during the Singapore Income Support Period (the "**Singapore Actual Net Income**") and the Singapore Target Net Income, the ALOG Trustee will be entitled to make drawdowns on the Singapore Income Support Amount in accordance with the Deed of Income Support to the extent of such difference. For the avoidance of doubt, while the Singapore Income Support is mainly to address the interest rate volatility, E-LOG will still be able to draw on the Singapore Income Support Amount if the Singapore Actual Net Income falls short of the Singapore Target Net Income due to other factors such as lower actual gross rents or higher actual operating expenses during the Singapore Income Support Period.

The valuation of the New Singapore Property does **<u>not</u>** take into account the Singapore Income Support. The purpose of the Singapore Income Support is to alleviate volatility in Singapore interest rates to ensure net income stability for the benefit of Unitholders.

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1 "**Net Income**" in relation to the Singapore Income Support Period means, 51.0% of the total property revenue of the New Singapore Property minus 51.0% of the total expenses of the New Singapore Property and 51.0% of the total interest expenses of the New Singapore Property.

(See paragraph 3.5 of the Letter to Unitholders for further details on the Deed of Income Support.)

Amalgamation and LLP Conversion

Each of the Singapore TargetCo and the Singapore PropCo are currently subject to the standard corporate income tax rate of 17% on their taxable income. As soon as practicable following completion of the Singapore Acquisition, it is intended for the Singapore TargetCo and the Singapore PropCo to be amalgamated into a single entity (the "**Amalgamation**", and the amalgamated single entity, the "**Amalgamated Entity**") and following the completion of the Amalgamation, the Amalgamated Entity will be converted into a limited liability partnership (the "**Singapore Property LLP**") pursuant to Section 27 of the Limited Liability Partnerships Act 2005 (the "**LLP Conversion**") and to hold the New Singapore Property through the Singapore Property LLP. The LLP Conversion would allow Unitholders to enjoy tax transparency treatment on E-LOG's income from the New Singapore Property and the income generated from the New Singapore Property will not be subject to corporate income tax in the hands of the Singapore Property LLP as a limited liability partnership is tax transparent for Singapore income tax purposes.

Total Singapore Acquisition Outlay

The total acquisition outlay for the Singapore Acquisition (the "**Total Singapore Acquisition Outlay**") is estimated to be approximately S$446.6 million, comprising:

(i) the Singapore Purchase Consideration of approximately S$223.9 million, which will be satisfied by cash and the issuance of Consideration Units of up to S$12.1 million, comprising (a) the LOGOS Consideration Units of approximately S$6.3 million to LOGOS Units No. 1 Ltd and (b) the Ivanhoe Consideration Units of up to S$5.8 million to Ivanhoe Cambridge[1];

(ii) E-LOG's proportionate share of the repayment of the Existing Loan Settlement Sum of approximately S$210.3 million[2];

(iii) the acquisition fee of approximately S$4.3 million (the "**Singapore Acquisition Fee**") payable in Units to the Manager (the "**Singapore Acquisition Fee Units**", collectively with the Japan Acquisition Fee Units, the "**Acquisition Fee Units**")[3]; and

1 For the avoidance of doubt, the Singapore Acquisition may be partly paid with the issuance of the Ivanhoe Consideration Units of up to S$5.8 million depending on the amount which is raised in the Preferential Offering. Should no Ivanhoe Consideration Units be issued, approximately S$217.6 million of the Singapore Purchase Consideration will be payable in cash with the balance sum of S$6.3 million being satisfied by the issuance of the LOGOS Consideration Units. Please refer to paragraph 5.1.4 of the Letter to Unitholders for further details on the Ivanhoe Consideration Units.

2 Being 51.0% of the Existing Loan Settlement Sum of approximately S$412.4 million.

3 As the Singapore Acquisition constitutes an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be payable in Units which shall not be sold within one year from the date of issuance in accordance with the Property Funds Appendix.

(iv) other costs including stamp duty, the estimated professional and other fees and expenses[1] of approximately S$8.1 million incurred or to be incurred by E-LOG in connection with the Singapore Acquisition payable in cash.

The Singapore Acquisition as an Interested Person Transaction Pursuant to the Listing Manual and Interested Party Transaction Pursuant to the Property Funds Appendix

The Singapore Acquisition between the Singapore Acquisition Vendors (with LSAV 1 being a special purpose vehicle of a fund partly held by indirect subsidiaries of the Sponsor, which is in turn a "controlling shareholder" of the Manager) and E-LOG will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual and an "interested party transaction" as defined under the Property Funds Appendix and the proposed issuance of the LOGOS Consideration Units to LOGOS Units No. 1 Ltd will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

(See paragraph 6.3.2 of the Letter to Unitholders for further details.)

RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITIONS

The Manager believes that the Acquisitions will bring the following key benefits to Unitholders:

(1) Acquisitions are "On-Strategy" to E-LOG;

(2) Acquisitions expected to be +3.0% DPU accretive to Unitholders;

(3) Japan Acquisition and Singapore Acquisition are acquired at attractive NPI yields and at a 2.3% discount each to their respective average valuation;

(4) Acquisitions demonstrate E-LOG's access to Sponsor's pipeline and strong support to grow E-LOG;

(5) Acquisitions will significantly improve E-LOG's key portfolio metrics:

  (a) Increase E-LOG's New Economy assets exposure and increase portfolio underlying land lease to mitigate land lease decay impact on valuations;

  (b) E-LOG's portfolio will pivot towards future-ready green assets;

  (c) Scale up Japan presence with sizable freehold asset while tapping on ESR Japan's on the ground expertise for economies of scale; and

  (d) New Singapore Property with occupancy of 99.7% and close proximity to Tuas Mega Port provide stable income and rental growth opportunities.

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1 Such fees and expenses include, due diligence costs, tax insurance costs, warranty & indemnity insurance costs and acquisition costs such as legal expenses, expenses relating to the appointment of the Independent Financial Adviser and other professional costs.

(See paragraph 4 of the Letter to Unitholders for further details.)

RESOLUTION 3: THE PROPOSED PREFERENTIAL OFFERING

The Manager intends to undertake the Preferential Offering to raise gross proceeds of up to S$94.0 million at the Issue Price of S$0.305 per new Unit. The Manager intends to utilise the gross proceeds from the Preferential Offering to partially fund the Acquisitions.

(See paragraph 7 of the Letter to Unitholders for further details on the Preferential Offering.)

Rationale for the Preferential Offering

The Manager intends to use the net proceeds from the Preferential Offering to partially fund the Acquisitions. The Preferential Offering will help to further strengthen E-LOG's balance sheet, optimise its capital structure and enhance its financial flexibility. Without the Preferential Offering and had the Manager opted to fund both the Acquisitions with (i) debt financing, (ii) the issuance of LOGOS Consideration Units, (iii) the issuance of Ivanhoe Consideration Units and (iv) S$100.0 million of the proceeds raised from issuance of Perpetual Securities, E-LOG's pro forma aggregate leverage post the Acquisitions would have increased to 42.7%. Assuming the net proceeds from the Preferential Offering is used to partially fund both the Acquisitions instead of using debt financing, E-LOG's pro forma aggregate leverage post the Acquisitions is expected to be 41.0% instead.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event		**Date and Time**
Notice of EGM	:	24 September 2024 (Tuesday)
Date and time of the EGM	:	9 October 2024 (Wednesday) at 10.00 a.m.
Physical Location of EGM	:	Jasmine Ballroom, Level 3, Marina Bay Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956
If approval for the Acquisitions is obtained at the EGM:		
Target date for completion of the Acquisitions	:	4Q2024 (or such other date as may be agreed between the parties)

ESR-LOGOS REIT

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

Directors of the Manager	**Registered Office**
Ms Stefanie Yuen Thio (Independent Non-Executive Chairperson)	5 Temasek Boulevard
Mr Ronald Lim (Independent Non-Executive Director)	#12-09 Suntec Tower 5
Mr Nagaraj Sivaram (Independent Non-Executive Director)	Singapore 038985
Dr Julie Lo Lai Wan (Independent Non-Executive Director)	
Mr Loi Pok Yen (Independent Non-Executive Director)	
Mr George Agethen (Non-Executive Director)	
Mr Shen Jinchu, Jeffrey (Non-Executive Director)	
Mr Stuart Gibson (Non-Executive Director)	
Mr Adrian Chui (Chief Executive Officer and Executive Director)	

24 September 2024

To: Unitholders of ESR-LOGOS REIT

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening the EGM to seek approval of Unitholders by way of an Ordinary Resolution for:

(i) **Resolution 1:** the Japan Acquisition, as an interested person transaction;

(ii) **Resolution 2:** the Singapore Acquisition and the proposed issuance of LOGOS Consideration Units, as interested person transactions, and the proposed issuance of Ivanhoe Consideration Units; and

(iii) **Resolution 3**: the proposed issuance of up to 308,196,721 new Units under the Preferential Offering at S$0.305 per new Unit, pursuant to Rule 805(1) and Rule 816(2) of the Listing Manual.

Unitholders should note that Resolutions 1, 2 and 3 are inter-conditional. In the event that any of Resolutions 1, 2 and 3 is not passed, the Manager will not proceed with the Acquisitions.

2. RESOLUTION 1: THE JAPAN ACQUISITION

2.1 Description of the New Japan Property

The New Japan Property is a four-storey double ramp-up modern logistics facility in Greater Nagoya, Japan, with a total land area of 79,096 sqm, a committed occupancy rate of 89.4%[1] and a WALE of 2.7 years as at 30 June 2024. The New Japan Property is freehold, was completed on 28 April 2022, and has a CASBEE A Sustainability Rating,[2] which is one of the highest functional standards for grading green buildings in Japan.

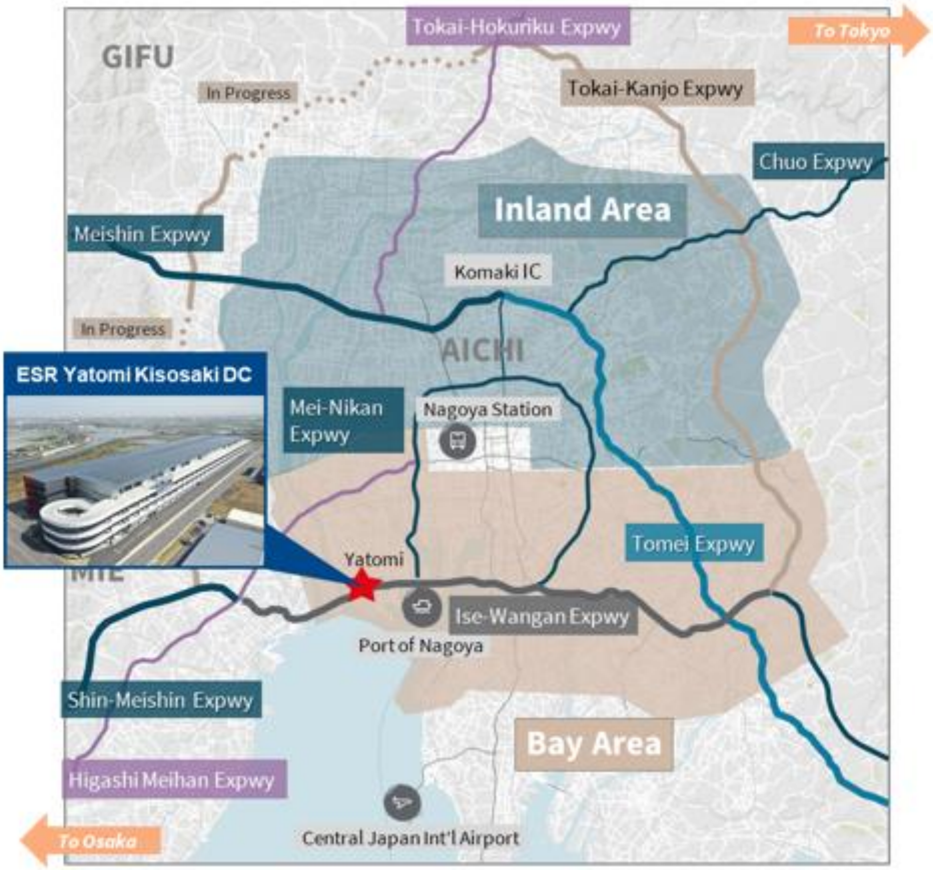
The New Japan Property is situated strategically in the northeastern Mie Prefecture, in the Bay Area of Nagoya and on islands formed by the delta of the Kiso Three Rivers, enjoys excellent road connectivity to the Nagoya Container Terminal (Port of Nagoya) and the Ise-Wangan Expressway.

Greater Nagoya is strategically located in the central part of Japan and serves as a key hub for both the movement of people and goods, connecting Greater Tokyo and Greater Osaka. Its strategic position gives Nagoya significant advantage in terms of transportation, logistics and access to both domestic and international markets.

1 Includes a new tenant secured by ESR Japan in July 2024. ESR Japan is in advanced negotiations with another potential tenant which would further increase the occupancy to 93.2% and WALE to 2.8 years.

2 The gradings of CASBEE are ranked in 5 grades: Superior (S), Very Good (A), Good (B+), Slightly Poor (B-) and Poor (C).

Map of Greater Nagoya, Japan



The New Japan Property is a four-storey double ramp-up modern logistics facility with ramp access to every floor. It has a floor loading capacity of 15 kN/sqm to 30 kN/sqm and a clear ceiling height ranging from 5.5m to 7.0m. The facility is designed to support flexible leasing solutions, featuring a column grid of 11.0m (W) x 10.5m (D), allowing optimal space utilisation, and is also equipped with dock levellers for efficient loading and unloading of goods. In addition, the facility offers ample parking for cars, trucks, motorcycles, and bicycles, as well as sufficient space to accommodate shipping containers and large-scale trucks. It is also equipped with key innovative amenities such as a private lounge and 24/7 unmanned cafeteria which enhances the attractiveness of this modern logistics facility.

(See **Appendix A** of this Circular for further details on the New Japan Property and **Appendix F** for a diagrammatic illustration on the structure of the Japan Acquisition.)

2.2 Purchase Consideration and Valuation

2.2.1 Japan Purchase Consideration

The Japan Purchase Consideration for the Japan Acquisition is JPY 38,000 million (approximately S$322.2 million).

The Japan Purchase Consideration was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the New Japan Property.

2.2.2 Valuation of the New Japan Property

The Trustee has commissioned an independent valuer, Colliers, and the Manager has commissioned an independent valuer, CBRE, to value the New Japan Property. The valuations of the New Japan Property as at 30 June 2024 are set out below.

	Colliers	CBRE
Market Valuations with the Japan NPI Support (as defined herein)	JPY 38,910 million (approximately S$330.0 million)	JPY 38,900 million (approximately S$329.9 million)
Market Valuations without the Japan NPI Support	JPY 38,710 million (approximately S$328.3 million)	JPY 38,800 million (approximately S$329.0 million)

Average Valuation with the Japan NPI Support	JPY 38,905 million (approximately S$329.9 million)
Japan Purchase Consideration	**JPY 38,000 million** **(approximately S$322.2 million)**
Discount to Average Valuation	***2.3%***

(See paragraph 2.4.2 of the Letter to Unitholders for further details of the Japan NPI Support.)

In arriving at the market value of the New Japan Property, the Japan Independent Valuers relied on (i) the income approach, comprising of the direct capitalisation approach and DCF analysis methods; and (ii) the cost approach.

(See **Appendix C** for the valuation summary reports and valuation certificates by the Japan Independent Valuers for further details.)

2.3 Total Japan Acquisition Outlay

The Total Japan Acquisition Outlay is estimated to be JPY 38,681 million (approximately S$328.0 million), comprising:

(i) the Japan Purchase Consideration of JPY 38,000 million (approximately S$322.2 million);

(ii) the Japan Acquisition Fee of JPY 380 million (approximately S$3.2 million) payable in Units to the Manager[1]; and

(iii) other costs including stamp duty, the estimated professional and other fees and expenses[2] of JPY 301 million (approximately S$2.6 million) incurred or to be incurred by E-LOG in connection with the Japan Acquisition.

2.4 Principal Terms of the Japan Sale and Purchase Agreement in relation to the New Japan Property

2.4.1 Certain Terms of the Japan Sale and Purchase Agreement

The Japan Sale and Purchase Agreement contains customary provisions relating to the Japan Acquisition, including representations and warranties, covenants which are customary of transactions of a similar nature and other

1 As the Japan Acquisition constitutes an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be payable in Units which shall not be sold one year from the date of issuance in accordance with the Property Funds Appendix.

2 Such fees and expenses include due diligence costs, financing costs and acquisition costs such as legal expenses and other professional costs.

commercial terms[1].

ESR TMK shall procure E-LOG to pay to the Japan Acquisition Vendor (or a person designated by the Japan Acquisition Vendor) a deposit equivalent to 10.0% of the Japan Purchase Consideration (the "**Japan Deposit**"). Pursuant to the terms of the Japan Sale and Purchase Agreement, the Japan Deposit shall be refundable until 15 November 2024 and shall become non-refundable on or after 16 November 2024 unless the Japan Sale and Purchase Agreement is terminated pursuant to certain terms of the Japan Sale and Purchase Agreement.

Completion of the Japan Sale and Purchase Agreement is conditional upon certain customary conditions being satisfied or waived (in whole or in part) by either ESR TMK or the Japan Acquisition Vendor, as the case may be. Additionally, should E-LOG fail to obtain Unitholders' approval for the Japan Acquisition, ESR TMK is obliged to terminate the Japan Sale and Purchase Agreement.

2.4.2 Japan NPI Support for the New Japan Property

(i) Terms of the Japan NPI Support

The New Japan Property, with a committed occupancy rate of 89.4%[2] and a WALE of 2.7 years as at 30 June 2024, is currently not at full occupancy as it is undergoing its first cycle of lease expiries and renewals. Hence, the Manager has negotiated for the Japan NPI Support from the Japan Acquisition Vendor for the benefit of E-LOG to mitigate potential leasing risks and provide income stability for the Japan NPI Support Period. In addition, the Japan NPI Support will also be used to cover any rent-free period(s) provided to new tenant(s) for securing new lease(s).

Pursuant to the Japan Sale and Purchase Agreement, in respect of the New Japan Property, the Japan Acquisition Vendor shall provide the Japan NPI Support Amount of up to JPY 400 million (approximately S$3.4 million). The Japan NPI Support Amount is determined based on the aggregate of (i) expected rental income assuming the current vacant space is leased up based on market rents, which are in line with the current rates being charged for the rest of the tenanted spaces in the New Japan Property, and (ii) estimated leasing costs and incentives that may be incurred during

1 Such customary provisions found in acquisitions of a similar nature concerning the acquisition of trust beneficiary interest in Japan properties include, among others, representations and warranties from both ESR TMK and the Japan Acquisition Vendor that they each (i) are a TMK duly incorporated and validly existing under the laws of Japan; (ii) have full legal right, power and authority to enter into the Japan Sale and Purchase Agreement; and (iii) are not insolvent.

2 Includes a new tenant secured by ESR Japan in July 2024. ESR Japan is in advanced negotiations with another potential tenant which would further increase the occupancy to 93.2% and WALE to 2.8 years.

the Japan NPI Support Period.

The Japan NPI Support shall apply to the New Japan Property such that in the event that there is any shortfall between the agreed monthly net property income threshold[1] and the actual net property income[2] of the New Japan Property, ESR TMK shall be entitled to make drawdowns on the Japan NPI Support Amount in accordance with the Japan Sale and Purchase Agreement to the extent of such difference.

In spite of the provision of the Japan NPI Support, ESR Japan is proactively engaging new prospects and existing tenants to fill up the remaining vacant space.

(ii) **Safeguards**

As a safeguard against the Japan Acquisition Vendor's ability to pay the Japan NPI Support, E-LOG will retain the Japan NPI Support Amount from the Japan Purchase Consideration. Any amount not utilised will be released to the Vendor after the Japan NPI Support Period.

(iii) **Japan Independent Valuers' Opinion on the Terms of the Japan NPI Support**

Given that the rents used to determine the Japan NPI Support are in line with market rents, each of the Japan Independent Valuers (being Colliers and CBRE) is of the opinion that the Japan NPI Support is in line with market rental rates.

(iv) **Independent Directors' Opinion**

The independent directors of the Manager (the "**Independent Directors**") are of the view that the Japan NPI Support is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders as the Japan NPI Support is supported by the Japan Independent Valuers to be in line with market rental rates.

2.5 Property and Asset Manager in respect of the New Japan Property

Upon completion of the Japan Acquisition, ESR Japan will provide property management services (including lease management) and asset management services in relation to the New Japan Property pursuant to a property management agreement to be entered into with ESR Japan (the "**Japan Property Management**

1 The agreed monthly net property income threshold will be calculated based on an annual net property income of JPY 1,520,000,000.

2 The net property income in relation to the Japan Acquisition is calculated based on the gross revenue of the Japan Property being subtracted by the operating expenses of the Japan Property.

Agreement") and an asset management agreement to be entered into with ESR Japan (the "**Japan Asset Management Agreement**"). The asset management services include ESR Japan managing the property manager, overseeing leasing activities, providing asset business plans, maintaining necessary licenses and consents, and ensuring that the Japan Property is properly managed. The terms of the Japan Property Management Agreement and the Japan Asset Management Agreement will be reviewed by the Audit, Risk Management and Compliance Committee to determine whether they are on normal commercial terms and are not prejudicial to the interest of E-LOG and its minority unitholders.

As ESR Japan is a wholly-owned subsidiary of ESR Group Limited (being a "controlling shareholder" of the Manager), ESR Japan (being a wholly-owned subsidiary of a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" of E-LOG. Accordingly, the entry into the Japan Property Management Agreement and the Japan Asset Management Agreement with ESR Japan will constitute an interested person transaction under the Listing Manual. For the avoidance of doubt, the approval of the Unitholders is not being sought in respect of the Japan Property Management Agreement and the Japan Asset Management Agreement in relation to the New Japan Property, as the value of the Japan Property Management Agreement and the Japan Asset Management Agreement is less than 3.0% of the latest audited NAV and net tangible assets ("**NTA**") of E-LOG. Therefore, the entry into the Japan Property Management Agreement and the Japan Asset Management Agreement would not be approved when Unitholders approve the resolution in relation to the Japan Acquisition, and such value of the Japan Property Management Agreement and the Japan Asset Management Agreement would be aggregated with all other interested person transactions for the current financial year.

3. RESOLUTION 2: THE SINGAPORE ACQUISITION

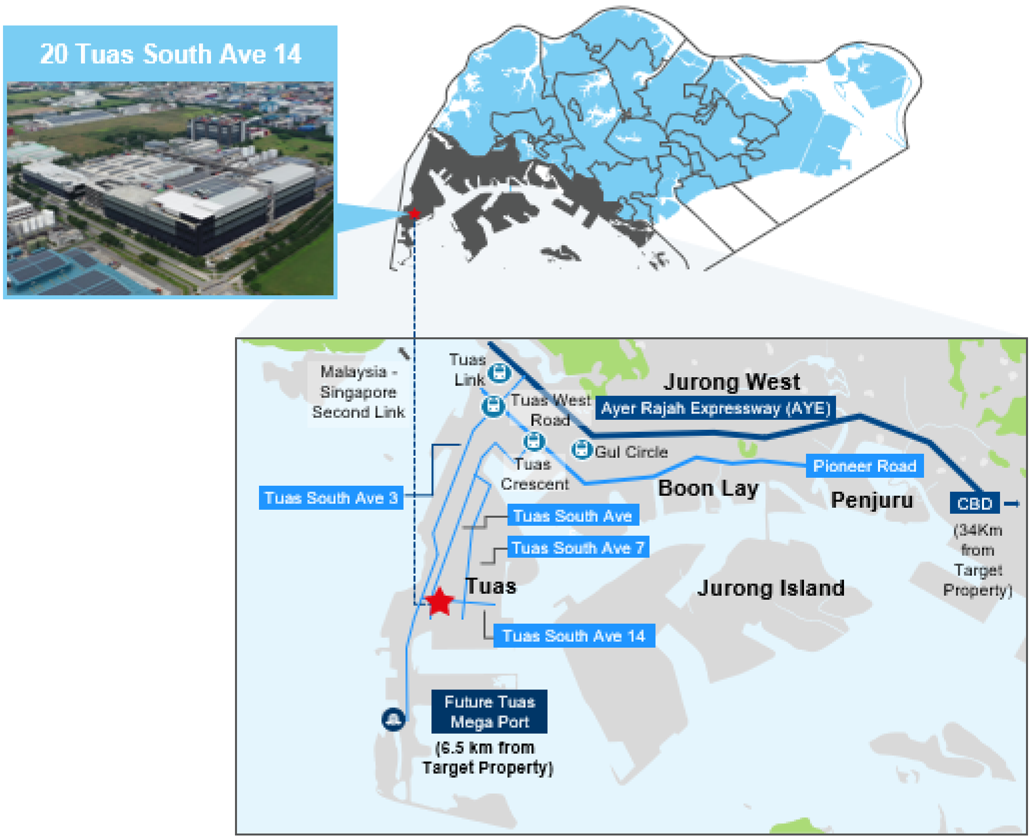
3.1 Description of the New Singapore Property

The New Singapore Property comprises a high-specifications manufacturing facility and newly constructed ramp-up logistics warehouses which is Green Mark Platinum certified with modern specifications at 20 Tuas South Avenue 14, Singapore 637312 sitting on a total land area of 252,733 sqm, and has an occupancy of 99.7% and a WALE of 11.2 years as at 30 June 2024. The New Singapore Property is a leasehold property (with approximately 44 years remaining[1] as at 30 June 2024).

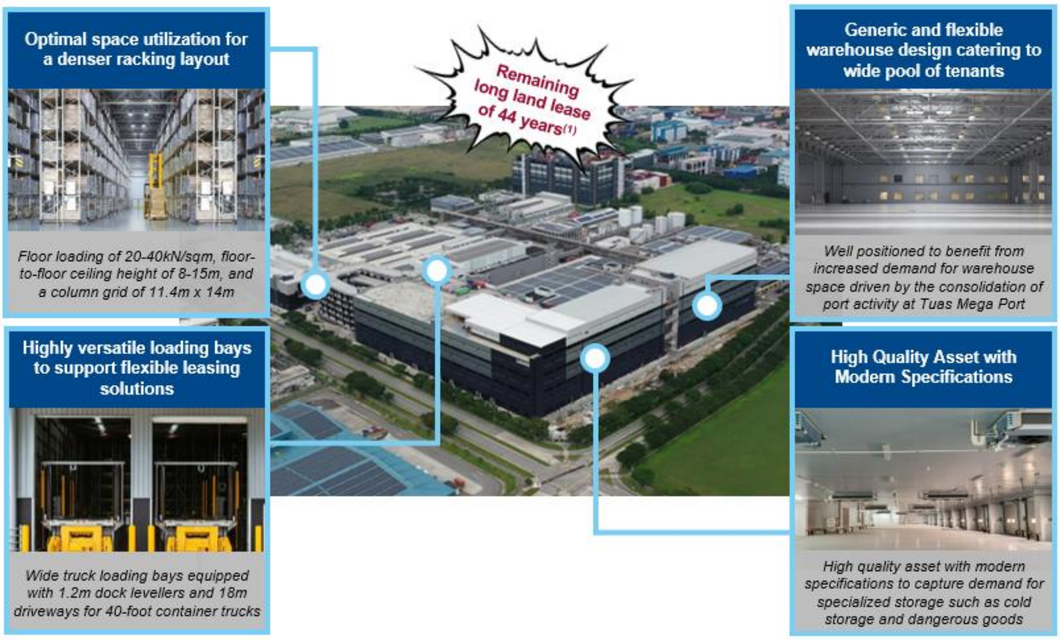
1 Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease. For the avoidance of doubt, the payment of land premium is not a condition precedent under the Singapore Share Purchase Agreement and JTC will inform the Singapore PropCo of the exact amount of land premium payable (which will be based on the prevailing market price) closer to 22 June 2038.

The New Singapore Property is located in Tuas, which is situated in the Western region of Singapore which hosts the country's largest manufacturing hub. Under the Urban Redevelopment Authority's 2019 master plan, three new business sectors, namely Jurong Lake District, Jurong Innovation District and the Tuas Mega Port, will be created within this region. Given its close proximity to Tuas Mega Port, the New Singapore Property is able to capture the in-built demand for both logistics space and warehousing space, including specialised storage such as cold storage and dangerous goods.

Map of Western Singapore



The ramp-up logistics warehouses were designed to take superimposed live floor loading of 20 kilonewton/sqm to 40 kilonewton/sqm, a floor-to-floor ceiling height ranging from 8 metre to 15 metre, and a column grid of 11.4 metre x 14 metre, allowing optimal space utilisation for denser racking layout. The facilities provide wide truck loading bays equipped with 1.2 metre dock levellers and 18 metre driveways for 40-foot container trucks, designed to be highly versatile to support flexible leasing solutions. The ramp-up logistics warehouses also come with ancillary amenities such as an air-conditioned canteen on the first level of Phase 1 and ample carpark lots on the rooftop. The generic and flexible design of the new ramp-up logistics warehouses cater to a wide pool of end-users or tenants.



Note:

(1) Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease.

The New Singapore Property also enjoys excellent access to the Jurong Tuas industrial estate and rest of Singapore via the Ayer Rajah Expressway.

In respect of the New Singapore Property:

(i) the existing high-specifications manufacturing facility is 100% leased to REC Solar for the REC Initial Term with an option to renew for the REC Option Term[1]; and

(ii) the ramp-up logistics warehouses are leased to various blue-chip tenants (such as Schneider Electric Asia Pte. Ltd., Maersk Logistics and Services Singapore Pte Ltd and DSV Solutions Pte. Ltd.) on a multi-tenanted basis with a WALE of 6.0 years as at 30 June 2024.

(See **Appendix A** of this Circular for further details on the New Singapore Property.)

3.2 Purchase Consideration and Valuation

3.2.1 Singapore Purchase Consideration

The Singapore Purchase Consideration shall be based on the aggregated NAV of the Singapore TargetCo and the Singapore PropCo, which takes into account the assets and liabilities of the Singapore TargetCo and the

1 Should REC Solar exercise the option to renew, the average rent payable per month for the REC Option Term will be approximately 46% of the average rent payable per month for the period of 1 December 2021 to 21 June 2038 (based on the restructured rent period of the lease with REC Solar). See paragraph 3.2.3 of the Letter to Unitholders for further details.

Singapore PropCo, including the Agreed Value of the New Singapore Property of S$840.0 million. The Agreed Value of the New Singapore Property was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of the New Singapore Property.

Singapore Purchase Consideration	S$ million
Agreed Value	840.0
Add: Other estimated net assets	11.4
Less: Existing Loan Settlement Sum	(412.4)
Aggregated NAV to be acquired (100.0% basis)	**439.0**
Singapore Purchase Consideration (51.0% basis)	**223.9**

The Singapore Purchase Consideration payable will be subject to completion adjustments[1] and is estimated to be approximately S$223.9 million. Pursuant to the Singapore Share Purchase Agreement, the LOGOS Consideration Units of approximately S$6.3 million would be issued to LSAV 1 or its nominee as part payment of the Singapore Purchase Consideration. LSAV 1 intends to nominate LOGOS Units No. 1 Ltd to receive the LOGOS Consideration Units. Additionally, the Ivanhoe Consideration Units may be issued to Ivanhoe Cambridge depending on the amount which is raised in the Preferential Offering[2].

3.2.2 Valuation of the New Singapore Property

The Trustee has commissioned an independent valuer, Cushman, and the Manager has commissioned an independent valuer, Savills, to value the New Singapore Property. The valuations of the New Singapore Property as at 30 June 2024 are set out below.

	Cushman	Savills
Market Valuations	S$859.7 million	S$859.0 million
Average Valuation	S$859.4 million	
Agreed Value	**S$840.0 million**	
Discount to Average Valuation	***2.3%***	

1 The Singapore Purchase Consideration will be adjusted upwards or downwards in accordance with the Singapore Share Purchase Agreement depending on the aggregated final net asset value of the Singapore TargetCo and the Singapore PropCo as at the closing date of the Singapore Share Purchase Agreement.

2 Please refer to paragraph 5.1 of the Letter to Unitholders for further details on the Preferential Offering and the Ivanhoe Consideration Units.

In arriving at the market value of the New Singapore Property, Savills relied on the income capitalisation method and DCF analysis while Cushman relied on the DCF analysis, capitalisation method and, where appropriate, the sales comparison method.

(See **Appendix C** of this Circular for the valuation summary reports and valuation certificates by the Singapore Independent Valuers for further details.)

3.2.3 Commentary on REC Solar's Option to Renew

It should be noted that the market value of the New Singapore Property as determined by the Singapore Independent Valuers are determined based on established methodologies including DCF analysis. Based on the 2022 Edition of Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers ("**SISV**"), when DCF analysis is used, the cash flow projection is made over the investment horizon which is typically adopted for a period of 10 years. Thereafter, the property is assumed to be sold at the 11th year of the cash flow. The valuation reports in respect of the New Singapore Property have been prepared in compliance with SISV's 2022 Edition of Valuation Standards and Practice Guidelines.

The lease with the tenant of the New Singapore Property, REC Solar, has a balance tenure of close to 14 years (under the REC Initial Term) with an option to renew for another 20 years (under the REC Option Term). Should REC Solar exercise the option to renew, the average rent payable per month for the REC Option Term will be approximately 46% of the average rent payable per month for the period of 1 December 2021 to 21 June 2038 (based on the restructured rent period of the lease with REC Solar).

Given that (i) the renewal of the lease is subject to fulfilment of certain terms and conditions such as the approval of JTC Corporation ("**JTC**"), notice to the landlord no later than 12 months prior to expiry of the REC Initial Term and the tenant not being in default at the expiry of the REC Initial Term; and (ii) the REC Option Term falls outside the 10-year investment horizon assumption (as described above), both Singapore Independent Valuers have assumed that the REC Option Term will not be renewed in their valuations of the New Singapore Property.

That said, purely for illustrative purposes only, and at the request of the Manager and the Trustee, a simulation of the value of the New Singapore Property should the lease be renewed, which is based on a simulation of a full 44-year cashflow of the entire New Singapore Property, and on the assumption that the tenant exercises the option to renew for the further 20-year lease ("**Full Term Cashflow**"), has been prepared. Based on the Full Term Cashflow, the derived estimated output of the New Singapore Property as determined by Cushman and Savills is S$848 million and S$835 million, respectively.

For the avoidance of doubt, the market value of the New Singapore Property is as set out in paragraph 3.2.2 of the Letter to Unitholders above and such values are derived based on the established methodology and assumptions as set out in the respective valuation reports of Cushman and Savills. The Full Term Cashflow, as set out in this paragraph 3.2.3 of the Letter to Unitholders, is based on a theoretical exercise for illustrative purpose <u>only</u> and is derived based on a methodology and assumptions which <u>differ</u> from those used to determine the actual valuations of the New Singapore Property as set out in paragraph 3.2.2 of the Letter to Unitholders above. The Full Term Cashflow methodology should not be relied upon in determining the actual valuations of the New Singapore Property.

3.3 Total Singapore Acquisition Outlay

The Total Singapore Acquisition Outlay is estimated to be approximately S$446.6 million, comprising:

(i) the Singapore Purchase Consideration of approximately S$223.9 million, which will be satisfied by cash and the issuance of Consideration Units of up to S$12.1 million, comprising (a) the LOGOS Consideration Units of approximately S$6.3 million to LOGOS Units No. 1 Ltd and (b) the Ivanhoe Consideration Units of up to S$5.8 million to Ivanhoe Cambridge[1];

(ii) E-LOG's proportionate share of the repayment of the Existing Loan Settlement Sum of approximately S$210.3 million;

(iii) the Singapore Acquisition Fee of approximately S$4.3 million payable in Units to the Manager[2]; and

(iv) other costs including stamp duty, the estimated professional and other fees and expenses[3] of approximately S$8.1 million incurred or to be incurred by E-LOG in connection with the Singapore Acquisition payable in cash.

1 For the avoidance of doubt, the Singapore Acquisition may be partly paid with the issuance of the Ivanhoe Consideration Units of up to S$5.8 million depending on the amount which is raised in the Preferential Offering. Should no Ivanhoe Consideration Units be issued, approximately S$217.6 million of the Singapore Purchase Consideration will be payable in cash with the balance sum of S$6.3 million being satisfied by the issuance of the LOGOS Consideration Units. Please refer to paragraph 5.1.4 of the Letter to Unitholders for further details on the Ivanhoe Consideration Units.

2 As the Singapore Acquisition constitutes an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be payable in Units which shall not be sold within one year from the date of issuance in accordance with the Property Funds Appendix.

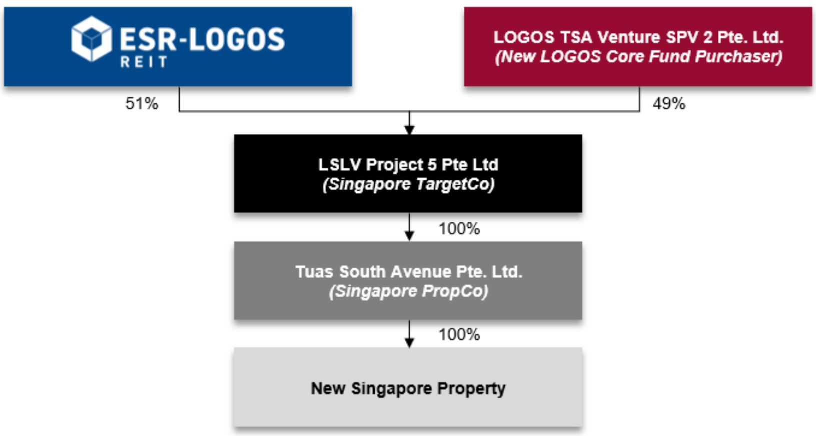
3 Such fees and expenses include due diligence costs, tax insurance costs, warranty & indemnity insurance costs and acquisition costs such as legal expenses, expenses relating to the appointment of the Independent Financial Adviser and other professional costs.

3.4 The Singapore Acquisition and the Proposed Issuance of Consideration Units to the Singapore Acquisition Vendors' Nominees

3.4.1 Structure of the Singapore Acquisition

On 31 July 2024, E-LOG, through the ALOG Purchaser, entered into the Singapore Share Purchase Agreement with the New LOGOS Core Fund Purchaser and the Singapore Acquisition Vendors in order for the ALOG Purchaser and the New LOGOS Core Fund Purchaser to acquire 51.0% and 49.0% of the shares in the Singapore TargetCo respectively, which indirectly holds the New Singapore Property, for a purchase consideration of approximately S$223.9 million, representing the ALOG Purchaser's 51.0% interest in the Singapore TargetCo. Upon completion of the Singapore Acquisition, the Singapore TargetCo will hold 100.0% of the shares in the Singapore PropCo[1], which will in turn hold the New Singapore Property.

Holding Structure After the Acquisition



As at the date of the Singapore Share Purchase Agreement, the Singapore TargetCo holds 51.0% of Singapore PropCo and the Singapore PropCo holds the New Singapore Property. As at the date of the Singapore Share Purchase Agreement, the LOGOS Group holds indirectly a 3.0% interest in the Singapore TargetCo and a 1.6% interest in the Singapore PropCo. The other shareholders of the Singapore TargetCo and the Singapore PropCo are unrelated third parties, which includes Ivanhoe Cambridge. Prior to completion of the Singapore Share Purchase Agreement, the Singapore TargetCo will hold 100% of the Singapore PropCo. Upon completion of the Singapore Share Purchase Agreement, E-LOG, through the ALOG Trustee,

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1 At the date of entry into the Singapore Share Purchase Agreement, the Singapore TargetCo owns 51.0% of the issued shares in the Singapore PropCo. Under the Singapore Share Purchase Agreement, it is intended that the Singapore TargetCo will hold 100.0% of the issued shares in the Singapore PropCo at completion of the Singapore Acquisition as part of the Restructuring. See paragraph 3.4.2 of the Letter to Unitholders below for further details on the principal terms of the Singapore Share Purchase Agreement.

will hold 51.0% of the Singapore TargetCo and the New LOGOS Core Fund Purchaser (which comprise the LOGOS Group, the current existing shareholders of the Singapore TargetCo and the Singapore PropCo and a new third party) will hold the balance 49.0%.

(See paragraph 6 of the Letter to Unitholders below for further details on the requirement of Unitholders' approval for the Singapore Acquisition.)

3.4.2 Principal Terms of the Singapore Share Purchase Agreement in relation to the New Singapore Property

The principal terms of the Singapore Share Purchase Agreement include, among others, the following:

(i) the ALOG Purchaser and the New LOGOS Core Fund Purchaser extending a loan to the Singapore TargetCo pursuant to the terms of an agreement to be entered into between the ALOG Purchaser and the New LOGOS Core Fund Purchaser (as lenders) and the Singapore TargetCo (as borrower). The loan will be for an amount agreed between the ALOG Purchaser, the New LOGOS Core Fund Purchaser and LSAV 1[1] and the loan shall be utilised by the Singapore TargetCo to:

(a) acquire 49.0% of the issued shares in the Singapore PropCo held by the Other Sellers (as defined herein) pursuant to the terms of the Restructuring (as defined herein) (the consideration for such acquisition being satisfied by a combination of cash and instruments in accordance with the terms of the Singapore Share Purchase Agreement);

(b) repay all of the Existing Other Sellers' Shareholder Loans[2] for and on behalf of the Singapore PropCo; and

(c) repay part of the Existing Loan Settlement Sum owed to Sumitomo Mitsui Banking Corporation Singapore Branch for and on behalf of the Singapore PropCo;

(ii) the completion of the Singapore Share Purchase Agreement is conditional upon the following conditions, among others, being satisfied or waived:

(a) E-LOG having obtained the approval of Unitholders for the Singapore Acquisition and the issuance of Consideration

1 The ALOG Purchaser and the New LOGOS Core Fund Purchaser will be responsible for funding 51.0% and 49.0% respectively of the loan amount to be agreed (which correlated to their respective resulting interest following the completion of the Singapore Acquisition).

2 "**Existing Other Sellers' Shareholder Loans**" means the existing shareholder loans extended by the Other Sellers (as lenders) to the Singapore PropCo (as borrower).

Units on the terms and subject to the conditions set out in the Singapore Share Purchase Agreement, such resolution not to be conditional on any other resolution (if any) to be proposed at the same EGM other than (i) the whitewash resolution in respect of the issuance of, among others, the Consideration Units, (ii) the resolution in respect of the issue of new Units pursuant to the Preferential Offering and (iii) the resolution in respect of a proposed acquisition by ESR-LOGOS REIT to be announced at the same time as the Singapore Acquisition;

(b) the receipt of approval in-principle from the SGX-ST for the listing and quotation of the Consideration Units, and there not having occurred any revocation or withdrawal of such approval;

(c) LSAV 1, the ALOG Purchaser and the New LOGOS Core Fund Purchaser obtaining the approval of JTC for, among others, the Singapore Acquisition, the change in shareholding of the Singapore PropCo, the Amalgamation and the conversion of the Singapore PropCo into a limited liability partnership;

(d) the acknowledgement and agreement of LSAV 1, the ALOG Purchaser and the New LOGOS Core Fund Purchaser to certain conditions imposed by JTC in respect of JTC's agreement in-principle to the Singapore PropCo's request to, inter alia, assign the lease of the New Singapore Property, including the payment to JTC of a fee of approximately S$69.0 million (the "**JTC Fee**") if before 10 January 2029, REC Solar occupies less than a stipulated amount of gross floor area of the New Singapore Property;

(e) the receipt of REC Solar's confirmation of its waiver of all its rights arising out of its right of first refusal granted pursuant to the lease with REC Solar in respect of certain existing premises leased to some tenants;

(f) all the fundamental warranties being true, complete and accurate in all respects, and all other warranties (which are not fundamental warranties) being true, complete and accurate, in all material respects, as at the date of the Singapore Share Purchase Agreement and at the closing date of the Singapore Share Purchase Agreement;

(g) the contracted tenanted space under all the signed

Occupation Agreements (as defined in the Singapore Share Purchase Agreement) totals at least 95% of the net lettable area of the New Singapore Property as at closing;

(h) there not having been at any time from the time of the execution of the Singapore Share Purchase Agreement up to closing any threatened, instituted or pending action or proceeding against the Singapore PropCo or the Singapore TargetCo, having a material adverse effect on the business, assets, liabilities, or results of operations of the Singapore PropCo or the Singapore TargetCo provided that such threatened action or proceeding against the Singapore PropCo or the Singapore TargetCo has been notified in writing to the Singapore PropCo or the Singapore TargetCo. For the purposes of this paragraph, "material adverse effect" means a threatened, instituted or pending action or proceeding against Singapore PropCo or the Singapore TargetCo which results or is likely to result in:

(A) a diminution in the net asset value of 100% of the issued shares of the Singapore TargetCo by more than S$80,000,000; or

(B) the value of the New Singapore Property being less than the Agreed Value by more than S$80,000,000;

(i) the receipt of the written confirmation from JTC that it is not aware of any subsisting breach by the Singapore PropCo and/or LSAV 1 of the JTC lease in relation to the New Singapore Property (the "**JTC Lease**") or such other similar worded written confirmation;

(j) completion of the Restructuring;

(k) completion of the Singapore TargetCo acquiring the 49.0% of the issued shares in the Singapore PropCo held by the Other Sellers; and

(l) the receipt of certain consents and/or deliverables from third parties (including existing tenants and prospective tenants).

As mentioned above in paragraph 3.4.2(ii)(d) of the Letter to Unitholders above, in the event that REC Solar occupies less than a stipulated amount of gross floor area of the New Singapore Property between completion and 10 January 2029, the Singapore PropCo is required to pay the JTC Fee of approximately S$69.0 million. For illustrative purposes only, assuming the JTC Fee is to be paid together with the Total Acquisitions Outlay, this will result in a FY2023 pro forma DPU of 2.622 cents, which translates to an NPI yield of 5.6% and a DPU accretion of 2.3% (based on the assumptions set out in **Appendix B** of this Circular and assuming the JTC Fee was paid on 1 January 2023) as well as a pro forma NAV of 31.5 cents, which translates to a NAV dilution of -1.6% (based on the assumptions set out in **Appendix B** of this Circular and assuming the JTC Fee was paid on 31 December 2023).

3.4.3 Issuance of Consideration Units

Under the Singapore Share Purchase Agreement, a number of Consideration Units would be issued to LSAV 1 or its nominee.

LSAV 1 has nominated LOGOS Units No. 1 Ltd to receive approximately S$6.3 million worth of Consideration Units. In addition, LSAV 1 has nominated Ivanhoe Cambridge to receive up to S$5.8 million of Consideration Units, with the final amount of Consideration Units to be issued to Ivanhoe Cambridge dependant on the amount of third party proceeds raised in the Preferential Offering.

(See paragraphs 5.1.4 and 5.1.5 of the Letter to Unitholders for further details.)

The consideration Units are to be issued at an Issue Price of S$0.305 per Unit.

The Consideration Units shall be entitled to distributions by E-LOG accrued from the date of issue of such Consideration Units. The Consideration Units will, upon issue, rank *pari passu* in all respects with the Units in issue as at the date of issue of the Consideration Units.

(See paragraph 6 of the Letter to Unitholders below for further information on the requisite Unitholders' approval for the issuance of the Consideration Units and paragraph 8.1 of the Letter to Unitholders below for further information on the Independent Financial Adviser's opinion on the issuance of the LOGOS Consideration Units.)

In approving the Singapore Acquisition, Unitholders are deemed to have approved the issuance of the Consideration Units at an Issue Price of S$0.305 per Unit to the Singapore Acquisition Vendors' Nominees upon completion of the Singapore Acquisition.

3.4.4 Property and Asset Manager in respect of the New Singapore Property

Upon completion of the Singapore Acquisition, (i) ESR-LOGOS Property Management (S) Pte. Ltd. (the "**Singapore Property Manager**"), which is a wholly-owned subsidiary of the Sponsor, will provide property management (including lease management) services in relation to the New Singapore

Property pursuant to a property management agreement to be entered into with the Singapore Property Manager (the "**Singapore Property Management Agreement**") and (ii) ESR-LOGOS Funds Management (S) Limited (the "**Singapore Asset Manager**"), which is a wholly-owned subsidiary of the Sponsor, will provide asset management services in relation to the New Singapore Property pursuant to an asset management agreement to be entered into with the Singapore Asset Manager (the "**Singapore Asset Management Agreement**"). The terms of the Singapore Property Management Agreement and the Singapore Asset Management Agreement will be reviewed by the Audit, Risk Management and Compliance Committee to determine whether they are on normal commercial terms and are not prejudicial to the interest of E-LOG and its minority unitholders.

As the Singapore Property Manager and the Singapore Asset Manager are subsidiaries of the Sponsor (being a "controlling shareholder" of the Manager), the Singapore Property Manager and the Singapore Asset Manager (both being subsidiaries of a "controlling shareholder" of the Manager) are (for the purposes of the Listing Manual) an "interested person" of E-LOG. Accordingly, the entry into the Singapore Property Management Agreement and the Singapore Asset Management Agreement will constitute an interested person transaction under the Listing Manual. For the avoidance of doubt, the approval of the Unitholders is not being sought in respect of the Singapore Property Management Agreement and the Singapore Asset Management Agreement in relation to the New Singapore Property, as the value of the Singapore Property Management Agreement and the Singapore Asset Management Agreement is less than 3.0% of the latest audited NAV and NTA of E-LOG. Therefore, the entry into the Singapore Property Management Agreement and the Singapore Asset Management Agreement would not be approved when Unitholders approve the resolution in relation to the Singapore Acquisition, and such value of the Singapore Property Management Agreement and the Singapore Asset Management Agreement would be aggregated with all other interested person transactions for the current financial year.

3.4.5 Amalgamation of the Singapore TargetCo and the Singapore PropCo and conversion and into a limited liability partnership

Each of the Singapore TargetCo and the Singapore PropCo are currently subject to the standard corporate income tax rate of 17% on their taxable income. As soon as practicable following completion of the Singapore Acquisition, it is intended for the Singapore TargetCo and the Singapore PropCo to be amalgamated into a single entity and following the completion of the Amalgamation, the Amalgamated Entity will be converted into a limited liability partnership pursuant to Section 27 of the Limited Liability

Partnerships Act 2005 and to hold the New Singapore Property through the Singapore Property LLP. The LLP Conversion would allow Unitholders to enjoy tax transparency treatment on E-LOG's income from the New Singapore Property and the income generated from the New Singapore Property will not be subject to corporate income tax in the hands of the Singapore Property LLP as a limited liability partnership is tax transparent for Singapore income tax purposes.

3.4.6 The Singapore Shareholder Agreement

In connection with the Singapore Acquisition, the ALOG Purchaser has entered into a shareholders' agreement with ALOG TSA Pte. Ltd., a wholly-owned subsidiary of the ALOG Purchaser, and LOGOS TSA Venture SPV 2 Pte. Ltd. with respect to the Singapore TargetCo (the "**Singapore Shareholder Agreement**").

Under the terms of the Singapore Shareholder Agreement, the following matters, among others, shall be considered a reserved matter which would require the prior written approval of all shareholders under the Singapore Shareholder Agreement:

(i) the creation, allotment or issue of any shares, capital, other securities or securities-based derivatives contracts in the Singapore TargetCo or its subsidiaries or the grant of any option or right to subscribe for, or convert any instrument into any such shares, capital or other securities and any repurchase, cancellation or redemption of the Singapore TargetCo's or its subsidiaries' share capital or any reduction, consolidation, subdivision or reclassification or other alteration of its capital structure, including the conversion of Preference Shares (as defined in the Singapore Shareholder Agreement);

(ii) any amendments to the Singapore Shareholder Agreement and/or constitutional documents of the Singapore TargetCo or its subsidiaries;

(iii) the alteration of any rights attaching to any shareholder's interest in the TargetCo or class of shares in the capital of the Singapore TargetCo or its subsidiaries;

(iv) any cessation of, or change in the nature or scope or geographical area of the business of the Singapore TargetCo or its subsidiaries;

(v) the transfer, disposal, assignment, financing or refinancing of the whole or any part of the New Singapore Property;

(vi) the sale or other disposition of any asset or property of the Singapore TargetCo or its subsidiaries (other than the New Singapore

Property);

(vii) the provision of any loan or advance or security by the Singapore TargetCo or its subsidiaries;

(viii) the exercise of the borrowing powers by the Singapore TargetCo or its subsidiaries;

(ix) the creation or varying the terms of any mortgage, lien or other security over any assets or property of the Singapore TargetCo or its subsidiaries;

(x) save as approved (or deemed approved under the Singapore Shareholder Agreement) in the annual operating plan and capital budget or approved in the revised annual operating plan and capital budget, the entry into, amendment to, variation of or termination of any contract by the Singapore TargetCo or its subsidiaries or the entry into, amendment to, variation of or termination of any transaction by the Singapore TargetCo or its subsidiaries other than a contract or transaction which is (a) on an arms' length basis and (b) in the ordinary course of the business;

(xi) any amendment to or variation of the Singapore Asset Management Agreement and/or the Singapore Property Management Agreement;

(xii) the entry into a contract or arrangement between the Singapore TargetCo or its subsidiaries (on the one hand) and (a) any of its shareholders, directors or officers; or (b) any party which is considered an "interested person" or an "associate" of an "interested person" within the meaning of the Listing Manual; or (c) a related corporation of a shareholder, or director or officers of such related corporation (on the other hand), other than entry into the Property Management Agreement and Asset Management Agreement;

(xiii) save as (a) approved in the annual operating plan and capital budget approved in accordance with the Singapore Shareholder Agreement or (b) in respect of the transfer, disposal, assignment, financing or refinancing of the whole or any part of the New Singapore Property which is to be approved in accordance with paragraph 3.4.6(v) above , the formation, disposal, acquisition or dissolution of, or investment in any company, business entity or assets by the Singapore TargetCo or its subsidiaries;

(xiv) the reconstruction, amalgamation, merger of the Singapore TargetCo or its subsidiaries with any corporation, firm or other body;

(xv) the presentation of any petition or the convening of a meeting for the passing of any resolution for the dissolution, winding-up of the

Singapore TargetCo or its subsidiaries or any other analogous event in any jurisdiction; and

(xvi) the giving of any guarantee or indemnity by the Singapore TargetCo or its subsidiaries to secure the liabilities or obligations of any person.

In approving the Singapore Acquisition, Unitholders are deemed to have approved the entry into the Singapore Shareholder Agreement.

3.4.7 The Singapore LLP Agreement

Following the completion of the LLP Conversion, the shareholders under the Singapore Shareholder Agreement shall enter into a limited liability partnership agreement with respect to the Singapore Property LLP (the "**Singapore LLP Agreement**") and the Singapore Shareholder Agreement shall be terminated. The form of the Singapore LLP Agreement has been agreed upon by the shareholders of the Singapore Shareholder Agreement and shall be on substantially similar terms as the Singapore Shareholder Agreement, including the principal terms as set out in paragraph 3.4.6 of the Letter to Unitholders above.

In approving the Singapore Acquisition, Unitholders are deemed to have approved the entry into the Singapore LLP Agreement.

3.5 Deed of Income Support

3.5.1 Background

E-LOG intends to hedge interest rate exposure for the debt used to finance the Singapore Acquisition. Due to the current volatility across Singapore interest rates, there is uncertainty as to the level of interest rate E-LOG is able hedge on completion. Accordingly, notwithstanding the New Singapore Property operating at a stabilised occupancy of 99.7%, adverse movements in interest rates may result in lower net income.

Accordingly, to address the above-mentioned situation where changes in interest rate would affect the net income of the New Singapore Property, the ALOG Trustee and the Singapore Acquisition Vendors, among others, have entered into the Deed of Income Support.

3.5.2 Terms of the Singapore Income Support

Pursuant to the terms of the Deed of Income Support:

(i) the Singapore Acquisition Vendors will provide the Singapore Income Support Amount of up to S$3,519,000 to the ALOG Trustee in relation to the New Singapore Property;

(ii) the Singapore Income Support Period will commence for a period of

12 months after completion of the Singapore Acquisition;

(iii) the Singapore Target Net Income is calculated based on a target aggregate Net Income [1] of the New Singapore Property of S$20,600,000; and

(iv) should there be a shortfall between the aggregate Net Income of the New Singapore Property during the Singapore Income Support Period and the Singapore Target Net Income, the ALOG Trustee will be entitled to make drawdowns on the Singapore Income Support Amount in accordance with the Deed of Income Support to the extent of such difference.

For the avoidance of doubt, while the Singapore Income Support is mainly to address the interest rate volatility, E-LOG will still be able to draw on the Singapore Income Support Amount if the Singapore Actual Net Income falls short of the Singapore Target Net Income due to other factors such as lower actual gross rents or higher actual operating expenses during the Singapore Income Support Period.

The valuation of the New Singapore Property does **not** take into account the Singapore Income Support. The purpose of the Singapore Income Support is to alleviate volatility in Singapore interest rates to ensure net income stability for the benefit of Unitholders.

3.5.3 Safeguards

As a safeguard against the ability of the Singapore Acquisition Vendors to pay the Singapore Income Support Amount, the Singapore Income Support Amount will be deposited with an escrow agent on completion of the Singapore Acquisition.

3.5.4 Independent Directors' Opinion

The Independent Directors are of the view that the Singapore Income Support is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

4. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITIONS

The Manager believes that the Acquisitions will bring the following key benefits to Unitholders:

(1) Acquisitions are "On-Strategy" to E-LOG;

1 "**Net Income**" in relation to the Singapore Income Support Period means, 51.0% of the total property revenue of the New Singapore Property minus 51.0% of the total expenses of the New Singapore Property and 51.0% of the total interest expenses of the New Singapore Property.

(2) Acquisitions are expected to be +3.0% DPU accretive[1] to Unitholders;

(3) Japan Acquisition and Singapore Acquisition are acquired at attractive NPI yields and at a 2.3% discount each to their respective average valuation;

(4) Acquisitions demonstrate E-LOG's access to Sponsor's pipeline and strong support to grow E-LOG;

(5) Acquisitions will significantly improve E-LOG's key portfolio metrics:

    (a) Increase E-LOG's New Economy assets exposure and increase portfolio underlying land lease to mitigate land lease decay impact on valuations;

    (b) E-LOG's portfolio will pivot towards future-ready green assets;

    (c) Scale up Japan presence with sizable freehold asset while tapping on ESR Japan's on the ground expertise for economies of scale; and

    (d) New Singapore Property with occupancy of 99.7% and close proximity to Tuas Mega Port provide stable income and rental growth opportunities.

4.1 Acquisitions are "On-Strategy" to E-LOG

As announced by the Manager on 16 February 2023, E-LOG's "4R Strategy" is focused on (i) **Rejuvenating** the asset portfolio, (ii) **Recapitalising** for growth, (iii) **Recycling** of capital and (iv) **Reinforcing** the Sponsor's commitment[2]. To date, the Manager has executed on (i) and (ii), and the Acquisitions are expected to deliver (iii) and (iv) in order to grow E-LOG's DPU and enhance its earnings quality.

1 DPU accretion includes the Japan NPI Support but excludes the Singapore Income Support.

2 For further details on E-LOG's growth strategy, please refer to the announcement titled "*Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less than Approximately S$300.0 Millio*n" dated 16 February 2023.

E-LOG's "4R Strategy"

Notes:

(1) For further details on E-LOG's growth strategy, please refer to the announcement titled "*Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less than Approximately S$300.0 Million*" dated 16 February 2023.

(2) As at 30 June 2024. Debt headroom based on gearing limit of 45%.

The Acquisitions provide E-LOG the opportunity to **Recycle** its divestment proceeds into two "On-Strategy" New Economy assets, while **Reinforcing** the Sponsor's commitment to grow E-LOG into its flagship New Economy REIT. Given the relatively large size of the Acquisitions, they will significantly **Rejuvenate** E-LOG's asset and earnings quality, improve its underlying land lease tenure and accelerate E-LOG's transformation into a leading Asia Pacific New Economy REIT.

4.2 Acquisitions are Expected to be +3.0% DPU Accretive to Unitholders

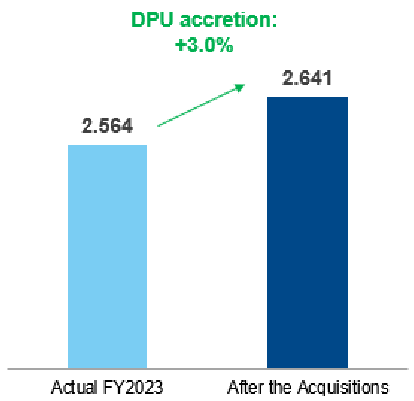
The Acquisitions are expected to be DPU accretive to Unitholders on a pro forma basis assuming that both the Acquisitions were completed on 1 January 2023. Please refer to **Appendix B** for the Bases and Assumptions underlying the pro forma financial effects of the Acquisitions.

- **DPU Impact:** The Acquisitions will result in a FY2023 pro forma DPU of 2.641 cents, which translates to a DPU accretion of +3.0%.

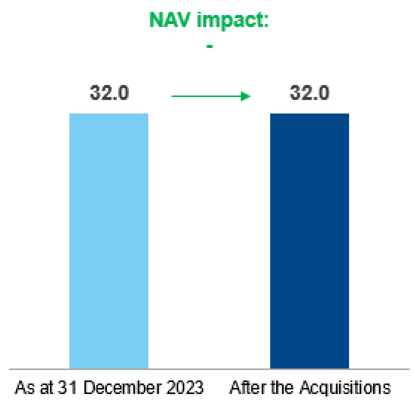
- **NAV Impact:** The Acquisitions will result in a FY2023 pro forma NAV per Unit of 32.0 cents, which is not expected to significantly impact the NAV per Unit.

FOR ILLUSTRATIVE PURPOSES ONLY NOT A FORWARD-LOOKING PROJECTION

FY2023 Pro Forma DPU Impact[1]



FY2023 Pro Forma NAV Impact[2]



Notes:

(1) Assuming the Acquisitions had been completed on 1 January 2023 and E-LOG held and operated the properties through to 31 December 2023. Please refer to paragraph 5.2 of the Letter to Unitholders for the pro forma financial effects of the Acquisitions.

(2) Assuming the Acquisitions had been completed on 31 December 2023. Please refer to paragraph 5.2 of the Letter to Unitholders for the pro forma financial effects of the Acquisitions.

The table below shows how the DPU Accretion of +3.0% from the Acquisitions compare against other sizable S-REIT and property trust transactions since 2023.

Acquiror	Asset(s)	Announcement Date	Asset Class	Location	Deal Size (S$m)	DPU Accretion (%)
ESR-LOGOS REIT	**ESR Yatomi Kisosaki Distribution Centre**	**31/7/2024**	**Warehouse / Distribution Centre**	**Japan**	**774.6**	**3.0%**
	20 Tuas South Avenue 14		**Logistics**	**Singapore**		
Capitaland Integrated Commercial Trust	ION Orchard and Ion Orchard Link	3/9/2024	Retail	Singapore	1,101.0	1.2%
Keppel DC REIT	Tokyo Data Centre 1	11/7/2024	Data Centre	Japan	202.1	1.1%
Keppel REIT	255 George Street, Sydney	1/4/2024	Office	Australia	344.1	1.4%[1]
Mapletree Logistics Trust	1 Logistics Asset in Malaysia	29/2/2024	Logistics	Malaysia	234.0	NA
	2 Logistics Assets in Vietnam	29/2/2024	Logistics	Vietnam		
Frasers	NEX retail	25/1/2024	Retail	Singapore	523.1	1.5%[2]

Centrepoint Trust	mall					
CapitaLand Ascott Trust	The Cavendish London, Temple Bar Hotel, Ascott Kuningan Jakarta	9/10/2023	Hospitality	UK, Ireland, Indonesia	378.6	1.8%
CapitaLand Ascendas REIT	A data centre in London	17/8/2023	Data centre	UK	214.4	0.7%
Mapletree Industrial Trust	Data Centre in Downtown Osaka, Japan	25/5/2023	Data centre	Japan	505.9	2.1%
CapitaLand Ascendas REIT	Seagate's Singapore R&D facility	16/5/2023	Business Park / Data Center	Singapore	232.4	0.7%
Mapletree Logistics Trust	Icheon Logistics Center * 1	30/3/2023	Logistics	South Korea	946.8	2.2%
	Sydney Logistics Center * 1	30/3/2023	Logistics	Australia		
	Japan Logistics Center * 6	30/3/2023	Logistics	Japan		
Frasers Centrepoint Trust	NEX retail mall	26/1/2023	Retail	Singapore	340.0	0.5%
CapitaLand India Trust	1.0 million sq ft IT Park at Outer Ring Road	18/1/2023	Business Park	India	201.0	0.5%
Min						**0.5%**
Max						**2.2%**
Average						**1.2%**
Median						**1.2%**

Source: SGXNET, Company filings.

Notes:

(1) Including anniversary distribution.

(2) Combined accretion with the prior acquisition by Frasers Centrepoint Trust of another effective interest of 25.5%.

4.3 Japan Acquisition and Singapore Acquisition are acquired at attractive NPI yields and at a 2.3% discount each to their respective average valuation

4.3.1 New Japan Property to be acquired at an attractive 2.3% discount to average valuation and 4.0% NPI yield

The New Japan Property is being acquired at an attractive 2.3% discount to average valuation. According to the valuation report by CBRE, being one of the Japan Independent Valuers, the New Japan Property is being acquired at approximately 5.9% lower than average market sales comparables of recent logistics asset sales in the same vicinity of Greater Nagoya, implying an NPI yield of 4.0%.

Property	Date	Price (JPY million)	Net Lettable Area ("NLA") (sqm)	Value psm (JPY)	New Japan Property psm as compared to market	Built Year
New Japan Property		38,000	134,863	281,767	-	2022
Yatomi Distribution Centre	Apr 24	65,000	205,759	315,904	(10.8%)	2024
Inuyama Logistics Center	Oct 23	3,270	10,363	315,546	(10.7%)	2022
Aisai Logistics Center	Jun 23	4,045	13,701	295,234	(4.6%)	2023
Kariya Logistics Center	Jun 23	6,045	20,953	288,503	(2.3%)	2022
ESR Aisai Distribution Centre	Dec 23	16,400	58,083	282,355	(0.2%)	2020
Average		*94,760*	*61,772*	*299,508*	*(5.9%)*	

Source: Selected transactions from the CBRE valuation report dated 30 June 2024.

4.3.2 New Singapore Property to be acquired at an attractive 2.3% discount to average valuation and 6.1% NPI yield

The acquisition of the New Singapore Property at an attractive 2.3% discount to valuation and a NPI yield of 6.1%. This represents a rare opportunity for E-LOG to acquire a sizeable, modern and high-quality New Economy asset in Singapore with long land lease tenure that is expected to benefit from the strategic transformation of Tuas Mega Port to enhance E-LOG's portfolio quality and resilience.

	Cushman	Savills
Market Valuations	S$859.7 million	S$859.0 million
Average Valuation	S$859.4 million	
Agreed Value	**S$840.0 million**	
Discount to Average Valuation	***2.3%***	

4.4 Acquisitions Demonstrate E-LOG's Access to Sponsor's New Economy Pipeline and Strong Support to Grow E-LOG

E-LOG is backed by the Sponsor, ESR Group, APAC's leading real estate manager powered by the New Economy and one of the largest listed real estate investment manager by assets under management globally (approximately US$156 billion). E-LOG is able to enjoy access to ESR Group's New Economy pipeline of high-quality logistics assets as demonstrated by the Acquisitions. The Acquisitions will enhance E-LOG's positioning as the flagship New Economy REIT by leveraging on the Sponsor's capabilities and established network, validating the Sponsor's strong commitment to grow E-LOG into its flagship New Economy REIT.

Notes:

(1) Based on the ANREV Fund Manager Survey published on 29 May 2024.

(2) Based on FX rates as at 31 December 2023. Included reported AUM of associates of the Sponsor and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.

(3) Fee-related AUM excludes AUM from associates of the Sponsor and levered uncalled capital.

(4) Excludes associates of the Sponsor.

(5) Including U.S./Europe fee-related AUM of US$13 billion.

The Sponsor believes that both Acquisitions are transformational and will improve E-LOG's asset and earnings quality meaningfully. In order to secure both the Japan Acquisition and the Singapore Acquisition for E-LOG, which are beneficial to E-LOG and fits within E-LOG's "4R Strategy" and for the reasons set out in paragraph 4 of the Letter to Unitholders, the Sponsor has convinced the respective vendors of the New Japan Property and the New Singapore Property to sell to E-LOG. The Sponsor only holds an indirect interest of 5.0% in the New Japan Property and an indirect interest of 3.1% in the New Singapore Property

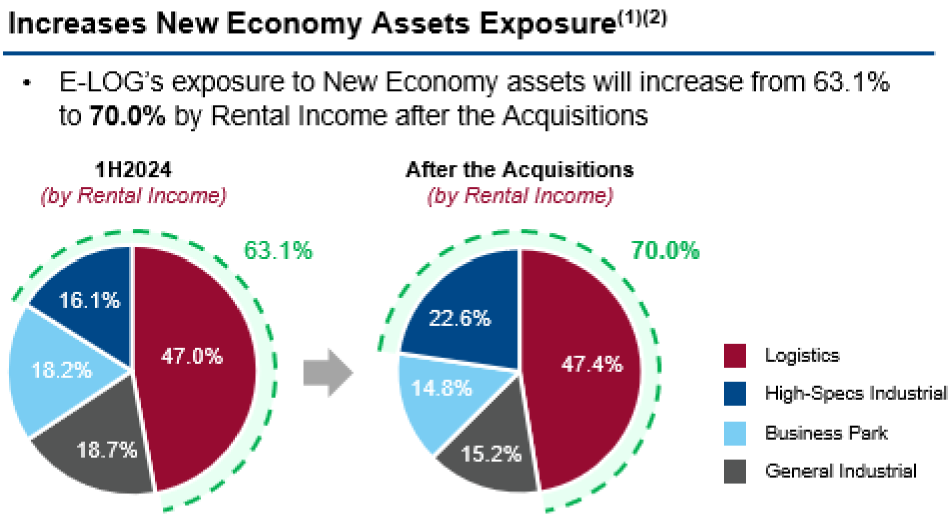
In addition, the Sponsor has provided the ESR IU to procure the subscription by e-Shang Infinity of up to S$140.0 million for the Preferential Offering at the Issue Price of S$0.305, which is at a premium to the closing market price of S$0.275 as at 30

July 2024, being the day prior to the announcement of the Acquisitions[1], and at the NAV per Unit of S$0.305 as at 30 June 2024. By agreeing to subscribe for Units at a premium to the market price, the Sponsor believes that the Units are currently undervalued, and the Sponsor's subscription further demonstrates its support for E-LOG and alignment of interest with Unitholders.

4.5 Acquisitions will improve E-LOG's Key Portfolio Metrics Significantly

4.5.1 Increase E-LOG's New Economy assets exposure and increase portfolio underlying land lease to mitigate land lease decay impact on valuations

Post the Acquisitions, New Economy assets will constitute 70.0% of E-LOG's portfolio (up from 63.1%) by rental income based on Effective Gross Rents, enhancing the relevance, diversity and future-readiness of E-LOG's portfolio.



Notes: Unless otherwise stated, all references to portfolio metrics in this Circular are as at 30 June 2024.

(1) Based on the Effective Gross Rents for the Month of June 2024. Excludes contribution from fund properties.

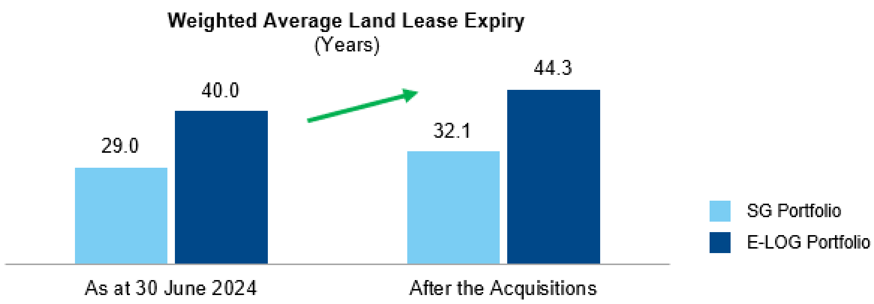
(2) The existing high-specifications manufacturing facility occupied by REC Solar is classified as high-specifications industrial while the ramp-up logistics warehouses are classified as logistics. Assumes that the New Japan Property is 100% occupied given the Japan NPI Support.

1 Please refer to the announcement titled "*The Proposed Acquisition of (I) 100% Trust Beneficiary Interest in ESR Yatomi Kisosaki Distribution Centre in Japan; and (II) 51.0% Interest in 20 Tuas South Avenue 14 in Singapore*" dated 31 July 2024.

Assuming E-LOG's freehold properties have a 99 years leasehold, the underlying land lease of E-LOG's Singapore portfolio and Existing Portfolio will be significantly enhanced from 29.0 years to 32.1 years and from 40.0 years to 44.3 years respectively. This will help to mitigate the valuation decay within E-LOG's portfolio due to a declining land lease balance associated with assets of shorter land leases, which are typical of Singapore industrial properties. In addition, E-LOG's exposure to freehold and longer land lease assets will increase from 65.0% to 72.9%.

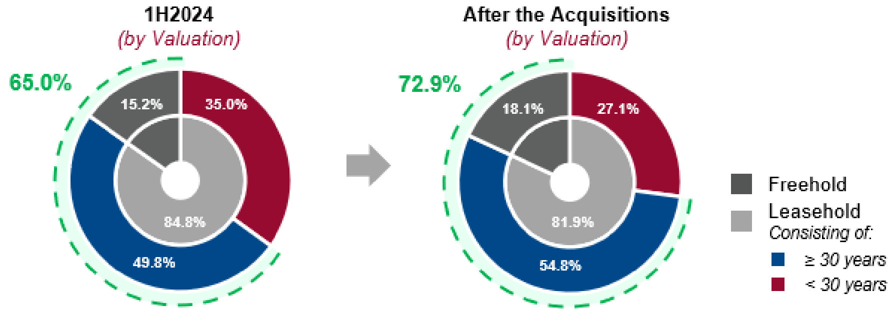
Increases Underlying Land Lease to Mitigate Land Lease Decay

- After the Acquisitions, E-LOG's Singapore and portfolio weighted average land lease expiry will improve from 29.0 years to **32.1** years and from 40.0 years to **44.3** years respectively

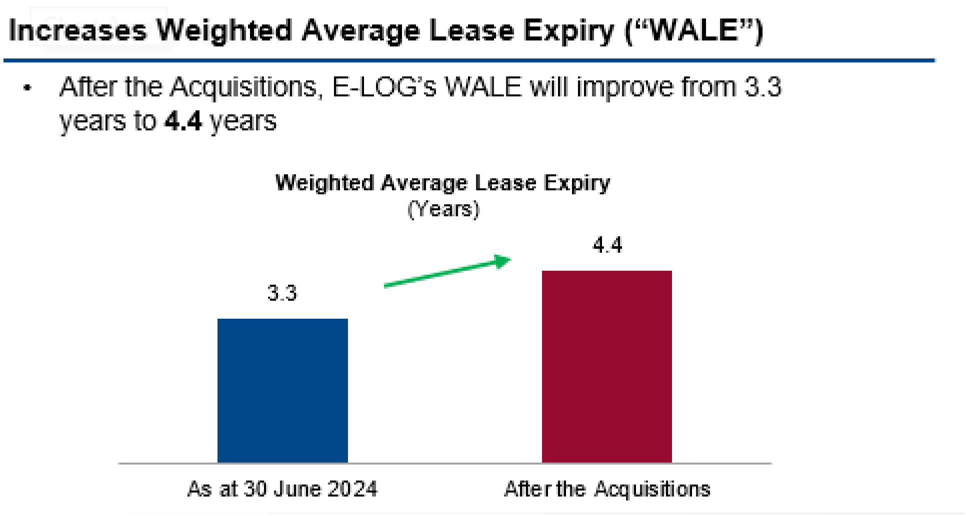


Increases Exposure to Freehold and Longer Land Lease Assets

- After the Acquisitions, **72.9%** of the portfolio will be freehold or have more than 30 years of land lease remaining



E-LOG's WALE would also increase from 3.3 years to 4.4 years.



Note: Unless otherwise stated, all references to portfolio metrics in this Circular are as at 30 June 2024.

4.5.2 E-LOG's portfolio will pivot towards future-ready green assets

Both the New Japan Property and the New Singapore Property includes a variety of green features that are in-line and contributes to E-LOG's ESG commitments, one of which includes obtaining Green Mark certifications for 80% of Singapore buildings.

<u>The New Japan Property</u>

The New Japan Property has a CASBEE A Sustainability Rating[1], which is one of the highest functional standards for grading green buildings in Japan. The building is equipped with modern technology such as LED lighting and human detection sensors, which enhances operational efficiency and lowers maintenance costs. The New Japan Property has solar panels installed on the rooftop, reducing energy costs, and promoting sustainability.

Key amenities situated on the New Japan Property like the KLŰBB Lounge, a private lounge, and KLŰBB Shop, a 24/7 unmanned cafeteria, which aim to provide food and beverages to tenants and visitors alike, demonstrate innovation in the asset.

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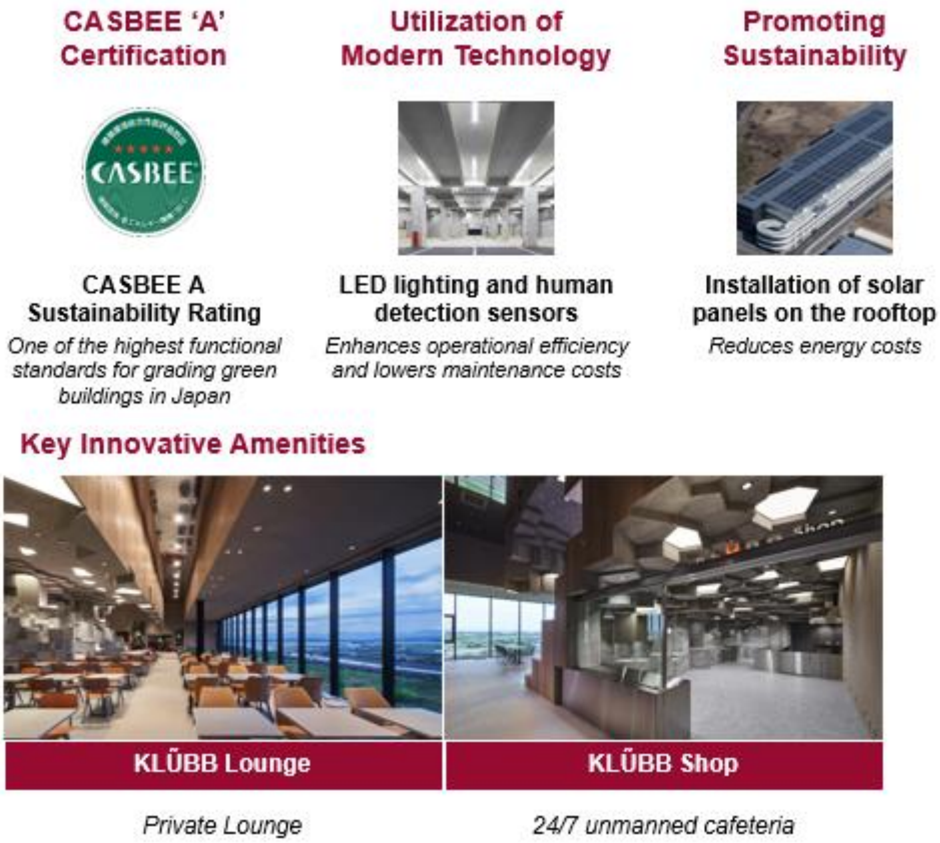
1 The gradings of CASBEE are ranked in 5 grades: Superior (S), Very Good (A), Good (B+), Slightly Poor (B-) and Poor (C).



The New Singapore Property

The ramp-up logistics warehouses are newly built with international standards and certified Green Mark Platinum [1] by the Building and Construction Authority (the "**BCA**"), with green features such as the extensive use of environmentally friendly building materials, efficient air-conditioning Variable Refrigerant Flow (VRF) system, water efficient fittings (rated three ticks in the Water Efficiency Labelling Scheme) and the provision of private water meters (for major water usage) which are linked to the building management system for ease of leak detection. Additionally, LED lightings are used for all fittings and motion sensors have been installed for toilet and staircase lightings to further conserve energy.

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1 Green Mark Platinum is the highest level of certification under the Green Mark Certification Scheme by Singapore's BCA. The intent of this certification standard is to establish environmentally friendly practices for the planning, design and construction of buildings, which would help to mitigate the environmental impact of built structures. This standard sets out the requirement for assessing the environmental performance of a building development. The lowest to highest level of certification is: Green Mark Certified, Green Mark Gold, Green Mark GoldPLUS and Green Mark Platinum.

Certified Green Mark Platinum Newly Constructed Ramp-up Warehouses

Additionally, in relation to the Singapore Acquisition, the following committed green debt financing term sheets have been secured:

(i) a secured term loan facility of S$341.5 million (with a green loan tranche of S$108.6 million) of which net proceeds of S$172.0 million, being E-LOG's proportionate share of net proceeds, will be utilised to complete the Singapore Acquisition[1]; and

(ii) an unsecured sustainability linked loan of S$225.0 million of which net proceeds of S$70.0 million will be utilised to complete the Singapore Acquisition.

Furthermore, E-LOG has obtained a second party opinion from Sustainable Fitch[2] verifying that the sustainability performance targets set as part of the S$225.0 million unsecured sustainability linked loan are ambitious, relevant and executable to the business, so as to create lasting value for its stakeholders.

The acquisition of the New Singapore Property and milestone in green financing represents a significant stride in our commitment to sustainability and responsible business practices. We believe that by aligning our financial

1 As the secured term loan facility will be entered into at the Singapore PropCo level, E-LOG's proportionate share of the net proceeds will correlate to E-LOG's indirect 51.0% interest in the Singapore PropCo following the completion of the Singapore Acquisition.

2 Sustainable Fitch is part of the Fitch Group which offers a global solution to assess Environmental, Social and Governance performance of all asset classes at an entity, framework and instrument level. Its modular analysis framework allows it to provide a Second-Party Opinion and a monitored suite of ESG Ratings including Entity Rating, Framework Rating and Instrument Rating. Of the available ratings from "Excellent", "Good", "Aligned" and "Not Aligned", Sustainable Fitch's view of E-LOG's sustainable finance framework's alignment level is "Good". For further details, please refer to the press release titled "*ESR-LOGOS REIT's Inaugural Sustainability-Linked Loan Receives 'Good' Second-Party Opinion from Sustainable Fitch*" dated 4 September 2024.

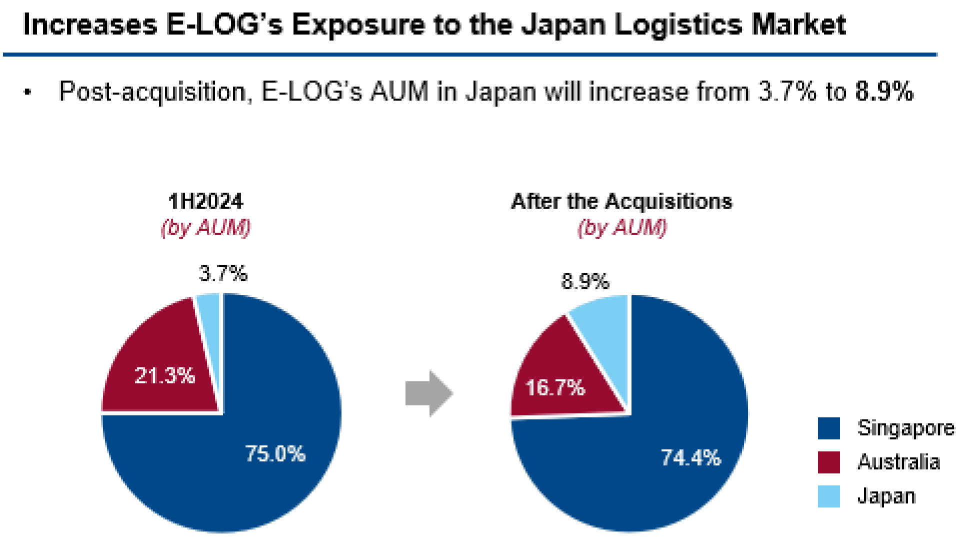
strategy with our environmental and social objectives, we can contribute meaningfully to a more sustainable future.

4.5.3 **Japan Acquisition enables E-LOG to scale up its presence in Japan with a sizable freehold asset while tapping on ESR Japan's on the ground expertise for economies of scale**

(a) **New Japan Property will increase E-LOG's exposure to the Nagoya logistics market in Japan**

The New Japan Property is in line with E-LOG's strategy to expand into freehold assets overseas such as Japan and Australia, which are part of the Sponsor's footprint countries and also existing footprint countries of E-LOG, in order to mitigate the valuation decay within E-LOG's portfolio due to a declining land lease balance associated with assets of shorter land leases, which are typical of Singapore industrial properties.

The New Japan Property will be E-LOG's third investment (after the acquisition of ESR Sakura Distribution[1] and the investment in ESR Japan Income Fund) and second directly owned asset in Japan. The Japan Acquisition will increase E-LOG's exposure to the Nagoya logistics market, improve geographical diversification within Japan and augment E-LOG's scalability in the quality Japan logistics market.



1 E-LOG had completed the acquisition of ESR Sakura Distribution Centre located in Greater Tokyo on 31 October 2022.

(b) Nagoya is a Key Hub in Central Japan with Great Access to Both Domestic and International Markets

Greater Nagoya is strategically located in central Japan and serves as a key hub for both the movement of people and goods, connecting Greater Tokyo and Greater Osaka. Its strategic position gives Nagoya significant advantage in terms of transportation, logistics and access to both domestic and international markets.

Greater Nagoya is renowned for its strong industrial base, particularly in the automotive sector, and accounts for about 30% of the national manufacturing shipment value. The city is home to major automotive manufacturers such as Toyota, Honda and Mitsubishi Motors, as well as numerous suppliers and related industries. Apart from the automotive industry, Greater Nagoya also boasts a robust electronics industry, including companies involved in semiconductor manufacturing and consumer electronics production.

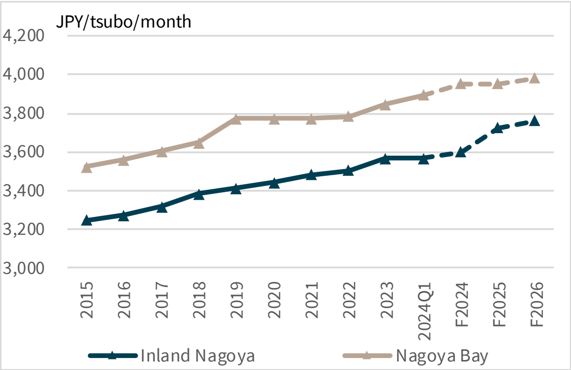
The logistics market in Greater Nagoya is divided into two distinct sub-markets, the “Inland Area” which surrounds the “Komaki” interchange, and the “Bay Area”, where Nagoya Port is located. Nagoya Port is Japan’s largest and busiest port, playing a pivotal role in international trade. Its extensive facilities support high volumes of imports and exports, making it a key driver for logistics activities. With the opening of the Ise-Wangan Expressway and Shin-Meishin Expressway, the central area of Nagoya city has improved its overall accessibility. As a result, the demand for logistics facilities, primarily in the Inland Area, has expanded to the Bay Area. The Bay Area is home to several modern logistics facilities, which is increasingly attractive to sophisticated tenants due to the following advantages: (i) various leasing opportunities due to adjustable layouts, (ii) high specifications in relation to ceiling height and floor loading, (iii) adequate seismic standards in construction for business continuity plans, and (iv) inclusion of amenities and good working environments. The New Japan Property is located in the Bay Area of Greater Nagoya.

As the Greater Nagoya market is relatively small as compared to two other major metropolitan areas, Greater Tokyo and Greater Osaka, the vacancy rate may temporarily increase when there is a large supply in the market, as could be seen in 1Q2024[1]. However, the vacancy rate in the Bay Area is expected to decline by end of 2024 as the supply is expected to be absorbed by the market demand.

1 Source: JLL Independent Industrial Market Research Report dated 25 July 2024.

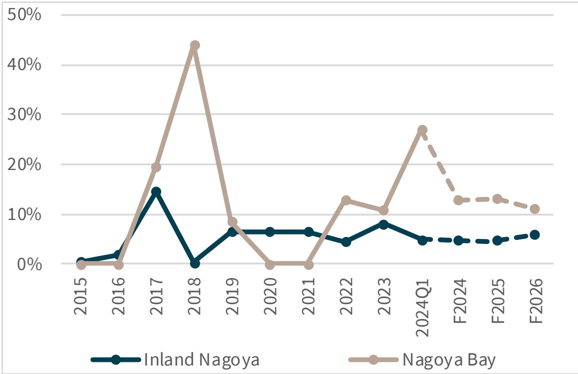
Rent in the Bay Area is expected to increase over 2025 and 2026 while maintaining its premium over the Inland Area. The committed occupancy in the New Japan Property is at 89.4%[1], and as such is not expected to be significantly affected by supply-demand dynamics.

Rent: Nagoya Bay and Inland Nagoya



Source: Independent Japan Industrial Market Research report by JLL Morii Valuation & Advisory K.K.

Vacancy: Nagoya Bay and Inland Nagoya



Source: Independent Japan Industrial Market Research report by JLL Morii Valuation & Advisory K.K.

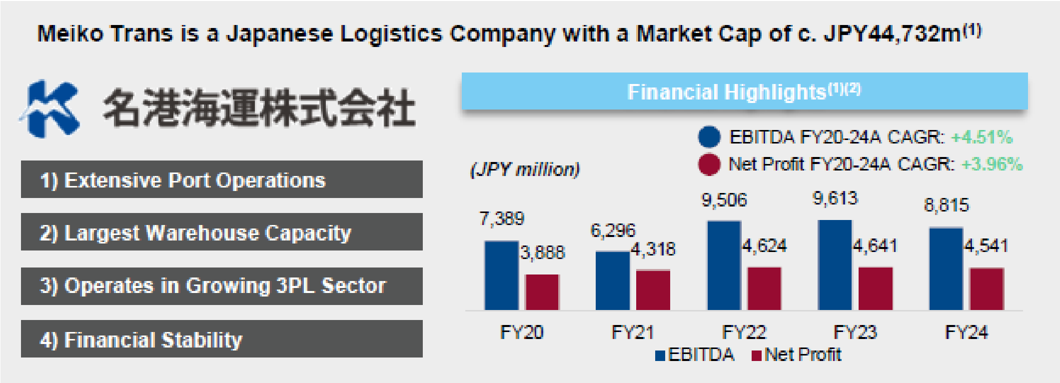
(c) New Japan Property is Anchored by Significant Logistics Player in Nagoya

Meiko Trans Co., Ltd. ("**Meiko Trans**") occupies approximately 40% of the New Japan Property as at 30 June 2024. Meiko Trans is a comprehensive logistics company that has been listed on the Nagoya Stock Exchange since 1962. Founded in 1949 and headquartered in Nagoya, Meiko Trans offers a full suite of logistics services, including import/ export, domestic distribution, warehousing, port operations, and third-party logistics solutions. Their services cater to a wide range of industries such as automotive, electronics, and retail, which are prominent in the Greater Nagoya region.

Apart from being the biggest port operator in Nagoya port, Meiko Trans also has the largest warehouse capacity in the port of Nagoya, with total capacity of approximately 500,000 sqm. Their specialised warehouses are capable of storing and handling heavy cargo, racking systems, fumigation, pharmaceuticals, temperature-controlled storage, and hazardous materials to meet the diverse needs of their business partners. In the New Japan Property, Meiko

1 Includes a new tenant secured by ESR Japan in July 2024. ESR Japan is in advanced negotiations with another potential tenant which would further increase the occupancy to 93.2% and the WALE to 2.8 years.

Trans occupies more than 50,000 sqm of warehouse space, which is approximately 10% of their total capacity in Nagoya.



Source: Company Information

Notes:

(1) As at 30 June 2024

(2) Financial year ended 31 March

Apart from Meiko Trans Co., Ltd, other key tenants in the New Japan Property include Tsukasa Kigyo Co. Ltd, Karitsu Co. Ltd, Tanesei Co., Ltd, and a new tenant secured in July 2024 which are in the logistics & warehousing, food & beverage and general & precision engineering sectors. Please refer to Appendix A for more information.Despite Meiko Trans Co., Ltd occupying approximately 40% of the New Japan Property as at 30 June 2024, its lease expiries are staggered between 2025 and 2026. The New Japan Property was not purposed built for Meiko Trans Co., Ltd, but instead, built on a generic design with high quality specifications as a modern logistic facility to cater to a broad based of tenants in the logistics and warehousing business. The Meiko Trans Co., Ltd lease will be proactively managed by ESR Japan and in the event Meiko Trans Co., Ltd does not renew its lease agreement, ESR Japan will actively engage new prospects and or existing tenants to fill up the space.

(d) E-LOG can Tap on ESR Japan's Full-fledged on the Ground Operational Expertise for Economies of Scale

ESR Japan will be the asset manager and property manager in respect of the New Japan Property. ESR Japan is a wholly-owned subsidiary of the Sponsor, and the leading APAC logistics platform with approximately JPY1,206 billion (or approximately S$10.2 billion) of logistics assets under management. It has strong capabilities in development, construction, asset, property, investment and fund management, and has been in operation in Japan for over 18 years since 2006. ESR Japan has more than 80 professionals who have established a strong local presence and track record and has leased out 3.2 million sqm of space since its inception in 2006, of which 78% of the leases were leased directly.

In spite of the provision of the Japan NPI Support, ESR Japan is proactively engaging new prospects and existing tenants to fill up the remaining vacant space. The New Japan Property has a committed occupancy of 89.4%, and ESR Japan is in advanced negotiations with another potential tenant, which would further increase the occupancy to 93.2% and the WALE to 2.8 years. The Manager is confident in the leasing up capabilities of ESR Japan given its previous track record. For example, when the Manager announced the acquisition of ESR Sakura DC in August 2022, the property had an occupancy of 75.0% and the vendor agreed to provide E-LOG with a rental support for a period of 12 months from completion date in respect of the vacant space to mitigate its leasing risks. ESR Japan is the asset manager and property manager of the ESR Sakura DC asset, and actively worked to increase the asset's occupancy. On 27 October 2023, the Manager announced that ESR Sakura DC had achieved 100% occupancy with the expansion of space requirement from an existing tenant.

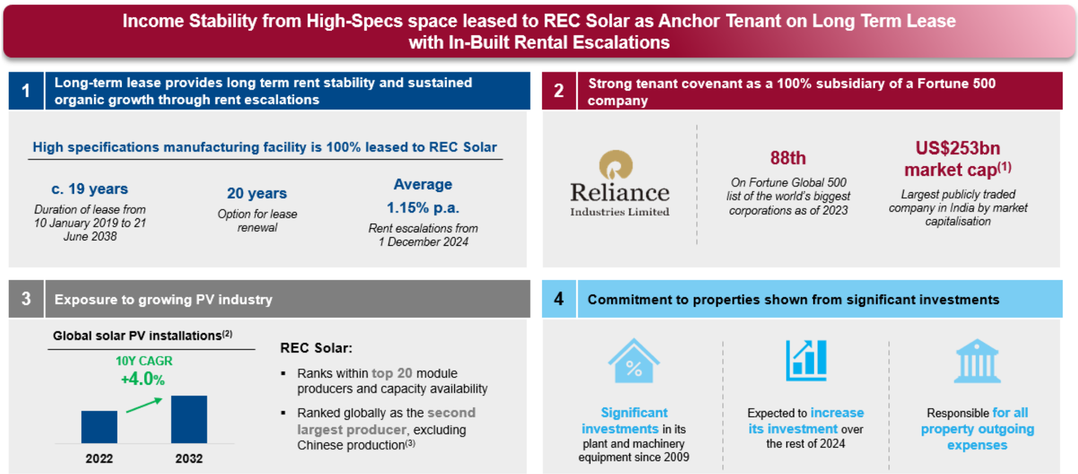
4.5.4 New Singapore Property with Occupancy of 99.7% Provides Stable Income and Rental Growth Opportunities with Close Proximity to the Tuas Mega Port

(a) Income Stability from High-Specs Space Leased to REC Solar as Anchor Tenant on Long Term Lease with In-Built Rental Escalations

The high-specifications manufacturing facility (accounting for 61% of the New Singapore Property's total NLA) is 100% leased to REC Solar for approximately 19 years (from 10 January 2019 to 21 June 2038) with an option to renew for a further 20 years. The long-term lease provides E-LOG with long-term rent stability and sustained organic growth through annual contracted rent escalations averaging 1.15% per annum from 1 December 2024. The strong tenant covenant of REC Solar provides a high level of certainty on the stability and sustainability of cashflows. Key salient points on REC Solar's credit and growth profile:

- **100% subsidiary of a Fortune Global 500 company:** REC Solar was acquired by Reliance Industries Ltd ("**Reliance**") in 2021. Reliance is the largest publicly traded company in India by market capitalisation (US$253 billion as of 1 July

2024) and is ranked 88th on the Fortune Global 500 list of the world's biggest corporations as of 2023.



Source: Wood Mackenzie

Notes:

(1) As at 1 July 2024.

(2) Unitholders should note that the data and information provided by Wood Mackenzie should not be interpreted as advice and Unitholders should not rely on it for any purpose. No person may copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for the use of this data and information by any person.

(3) Chinese production is typically for the domestic market.

- **Exposure to a Growing Industry with Commitment to the New Singapore Property:** REC Solar operates in a high-technology clean energy industry (solar panels). The high-specifications manufacturing facility of the New Singapore Property is used to manufacture various solar industry related products including wafers, cells and modules, which are components to produce photovoltaic ("**PV**") modules for mounting into solar panels.

  Based on the information provided in the report by Wood Mackenzie[1] dated 22 December 2023, Global solar PV installations are forecasted to grow at an annual average of 4% from 2022 to 2032. Solar PV capacity is the fastest growing power generation asset from 12% share of global capacity in 2022 to 30% by 2032. There are more than 242

1 Wood Mackenzie is an intelligence provider, empowering decision-makers with insight on the world's natural resources. They are a research and consultancy business for the global energy, power and renewables, subsurface, chemicals, and metals and mining industries. Unitholders should note that the data and information provided by Wood Mackenzie should not be interpreted as advice and Unitholders should not rely on it for any purpose. No person may copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for the use of this data and information by any person.

companies producing modules globally. REC Solar ranks within the top 20 module producers and capacity availability. Excluding Chinese production (which is typically for the domestic market), REC Solar ranked globally as the second largest producer. REC Group is well-positioned to take advantage of the global PV market boom from its only manufacturing base in Singapore.

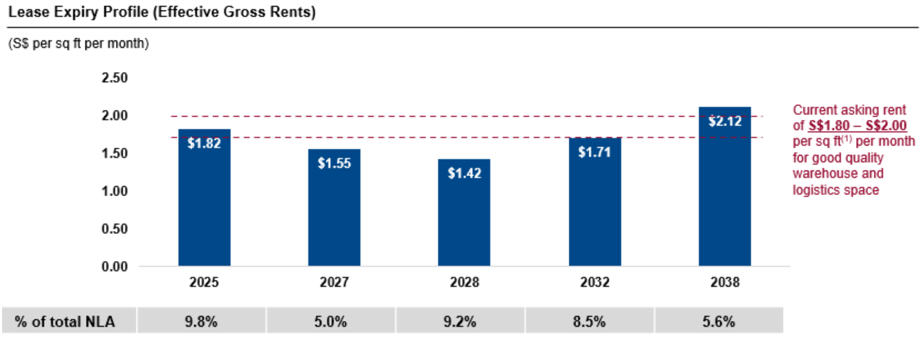
REC Solar has also invested significantly in its plant and machinery equipment since commencing its manufacturing operations in the New Singapore Property in 2009 and is expected to increase its investment over the rest of 2024, highlighting their commitment to grow their business in the New Singapore Property.

In addition, minimal property expenses for the existing high-specifications manufacturing facility are expected from E-LOG as REC Solar is responsible for all property outgoing expenses including property tax and capital expenditures.

(b) The Multi-Tenanted Ramp-Up Logistics Warehouses with Blue Chip Tenants Provide Rental Growth Potential as the In-Place Rents are Below Current Market

New and modern logistics warehouse space accounts for 39% of the New Singapore Property's total NLA. It is leased at shorter lease tenures on a multi-tenanted basis to high quality tenants such as Schneider Electric Asia Pte. Ltd., Maersk Logistics and Services Singapore Pte Ltd and DSV Solutions Pte. Ltd.. The WALE for the logistics warehouse space is 6.0 years as at 30 June 2024.

Most of the in-place rents for the logistics space are initial leases and below current asking rents. With positive secular trends, Tuas Mega Port's strong positioning as a global maritime hub and favourable demand-supply dynamics, the logistics space has the potential to enjoy positive rental upside during lease renewals.



Note:

(1) Independent market research report by Knight Frank Pte Ltd.

(c) The New Singapore Property is Well Located to Benefit from Singapore's Transformation of Tuas Mega Port

The acquisition of the New Singapore Property is strategic and timely with the property located about 6.5 km from the Tuas Mega Port, which is poised to be a significant landmark in the Port of Singapore's evolution. Tuas Mega Port will be the only and largest facility in Singapore, and also the largest port infrastructure in the world[1]. Some key highlights of the Tuas Mega Port Project:

- A total of 37.3 million twenty-foot equivalent units ("**TEUs**") of containers passed through Singapore in 2022[2].
- When fully completed, Tuas Mega Port will handle 65 million TEUs annually, almost double of present volumes[3].

Tuas Mega Port is expected to create the tailwinds that boost the maritime sector which would naturally generate incremental and sustainable demand for warehouses and distribution centres. The acquisition of the New Singapore Property at this point is timely given the asset's close proximity to Tuas Mega Port.

5. DETAILS AND FINANCIAL INFORMATION OF THE ACQUISITIONS

5.1 Method of Financing of the Acquisitions

The Manager intends to fund both the Acquisitions via (i) debt financing, (ii) the issuance of LOGOS Consideration Units in relation to the Singapore Acquisition; (iii) the Perpetual Securities Proceeds; and (iv) a combination of one or more of the Preferential Offering and the issuance of Ivanhoe Consideration Units in relation to

1 Based on the Maritime and Port Authority of Singapore's statistics.

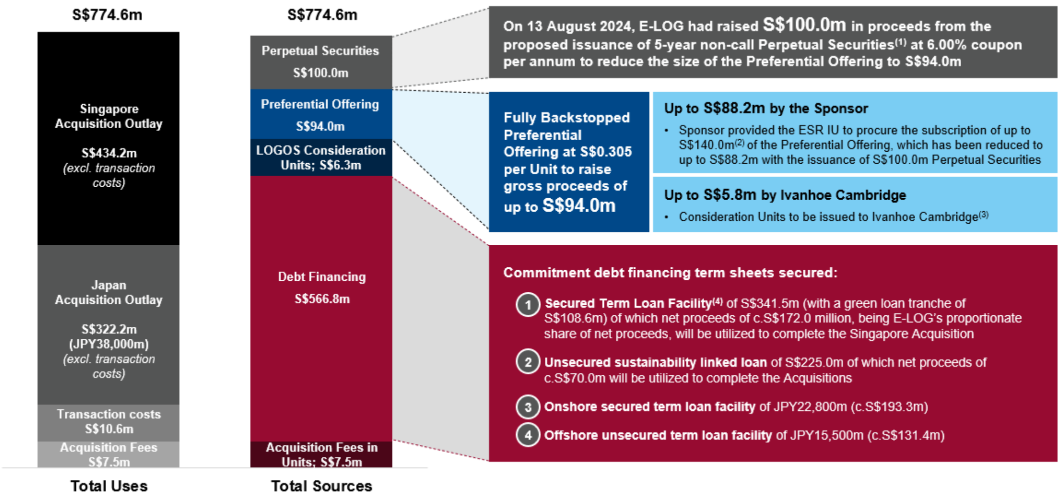
2 Source: The Straits Times, https://www.straitstimes.com/singapore/s-pore-ports-handled-second-highest-number-of-containers-in-2022-despite-fall-in-global-container-trade

3 Source: National Day Rally 2022, https://www.pmo.gov.sg/Newsroom/National-Day-Rally-2022-English

the Singapore Acquisition.

The aggregate of (i) the proceeds raised from the Preferential Offering, (ii) the proceeds raised from the issuance of the Ivanhoe Consideration Units (if any) and (iii) the Perpetual Securities Proceeds shall not exceed S$194.0 million.

In light of the Perpetual Securities Proceeds, the size of the Preferential Offering has been reduced to S$94.0 million and this will in turn cause the maximum number of Ivanhoe Consideration Units to be issued to be S$5.8 million and the maximum subscription amount by e-Shang Infinity to be S$88.2 million. A graphical representation of the total uses and sources of the financing are as follows:



Notes:

(1) Please refer to the announcement titled "Pricing of S$174.75M 6.0% Additional & New Subordinated Perpetual Securities Comprised in Series 009" dated 13 August 2024 for further details

(2) Comprising up to S$17.4 million of subscription for the ESR Pro-Rata Units and up to S$122.6 million for application for the ESR Excess. The Sponsor's undertaking to procure the subscription of the ESR Excess shall be reduced by any amount raised from (i) Third Party Proceeds and (ii) the Instruments Proceeds, in excess of S$48.2 million.

(3) Please see paragraphs 3.4.3 and 5.1.4 of the Letter to Unitholders for further details about the issuance of the Ivanhoe Consideration Units and the Consideration Units generally.

(4) The secured term loan facility will be entered into by the Singapore PropCo, for which E-LOG will have a 51.0% interest in, to partially refinance the Existing Loan Settlement Sum.

5.1.1 Debt Financing

As at the Latest Practicable Date, the Manager has secured various committed debt financing term sheets from banks for the purposes of general corporate funding purposes including, but not limited to, financing the Acquisitions, refinancing of existing indebtedness and application towards other general working capital purposes.

In relation to the Japan Acquisition, E-LOG has secured the following committed debt financing term sheets:

(i) an onshore secured term loan facility of JPY 22,800 million (approximately S$193.3 million) from Sumitomo Mitsui Banking Corporation; and

(ii) an offshore unsecured term loan facility of JPY 15,500 million (approximately S$131.4 million) from Malayan Banking Berhad, Singapore Branch and Mizuho Bank, Ltd.

In relation to the Singapore Acquisition, E-LOG has secured the following committed green debt financing term sheets:

(a) a secured term loan facility[1] of S$341.5 million (with a green loan tranche[2] of S$108.6 million) from CIMB Bank Berhad, Singapore Branch, DBS Bank Ltd., Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, and Sumitomo Mitsui Banking Corporation Singapore Branch, of which net proceeds of approximately S$172.0 million, being E-LOG's proportionate share of net proceeds, will be utilised to complete the Singapore Acquisition[3]; and

(b) an unsecured sustainability linked loan[4] of S$225.0 million from The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, CIMB Bank Berhad, Singapore Branch, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch, of which net proceeds of approximately S$70.0 million will be utilised to complete the Singapore Acquisition.

5.1.2 Preferential Offering, Consideration Units and Perpetual Securities

The Acquisitions are intended to be funded by the Preferential Offering, and such Preferential Offering would not be underwritten[5] and shall comprise an offering of new Units at an Issue Price of S$0.305 per Unit to existing Unitholders to raise gross proceeds of up to S$94.0 million. As one of the

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1 The secured term loan facility will be entered into by the Singapore PropCo, for which E-LOG will have a 51.0% interest in, to partially refinance the Existing Loan Settlement Sum.

2 The green loan tranche includes a condition that the newly constructed ramp-up logistics warehouses achieve and maintain a valid BCA (as defined herein) green certification of at least a Green Mark Gold PLUS rating. As at the Latest Practicable Date, the newly constructed ramp-up logistics warehouses are certified Green Mark Platinum, and as such this condition is fulfilled.

3 As the secured term loan facility will be entered into at the Singapore PropCo level, E-LOG's proportionate share of the net proceeds will correlate to E-LOG's indirect 51.0% interest in the Singapore PropCo following the completion of the Singapore Acquisition.

4 The unsecured sustainability linked loan will be entered into by the Trustee. In relation to this unsecured sustainability linked loan, E-LOG has set sustainability performance targets for the following three key performance indicators, 1) electricity intensity, 2) water intensity, and 3) solar power capacity which are to be observed annually throughout the loan term. For every sustainability performance target achieved, a margin adjustment of -1bps will be applied during the next interest period.

5 The Preferential Offering is not underwritten in view that the Acquisitions will have sufficient funding in light of the method of financing which takes into account the Sponsor's irrevocable undertaking given pursuant to the ESR IU and the issuance of the Consideration Units to the Singapore Acquisition Vendors' Nominees.

resolutions in the EGM to be convened relates to the Preferential Offering, the Preferential Offering will be launched only after the EGM.

For the avoidance of doubt, the proceeds from the 2023 equity fund raising[1] will not be used for the Acquisitions as these proceeds have been earmarked for the potential redevelopment of an existing logistics asset.

Approximately S$6.3 million worth of LOGOS Consideration Units is expected to be issued to LOGOS Units No. 1 Ltd. The LOGOS Consideration Units would be issued regardless of the amount raised in the Preferential Offering.

Additionally, the Singapore Acquisition may be partly paid with the Ivanhoe Consideration Units of up to S$5.8 million, depending on the amount which is raised in the Preferential Offering.

(Please refer to paragraph 7 of the Letter to Unitholders for further details on the Preferential Offering.)

5.1.3 ESR IU

In connection with the Preferential Offering, the Sponsor has provided the ESR IU to procure the subscription by e-Shang Infinity of up to S$140.0 million (comprising the ESR Pro-Rata of up to S$17.4 million and the ESR Excess of up to S$122.6 million) at an Issue Price of S$0.305 per Unit. e-Shang Infinity's undertaking to subscribe for the ESR Excess Units shall be reduced by any amount raised from (i) the Third Party Proceeds and (ii) the Instruments Proceeds, in excess of S$48.2 million.

The aggregate of (i) the proceeds raised from the Preferential Offering, (ii) the proceeds raised from the issuance of the Ivanhoe Consideration Units (if any) and (iii) the Perpetual Securities Proceeds shall not exceed S$194.0 million.

Please refer to the illustrative waterfall charts in paragraph 5.1.5 of the Letter to Unitholders below for a diagrammatic illustration on how the Preferential Offering, the ESR IU and the Ivanhoe Consideration Units operate.

5.1.4 Ivanhoe Consideration Units

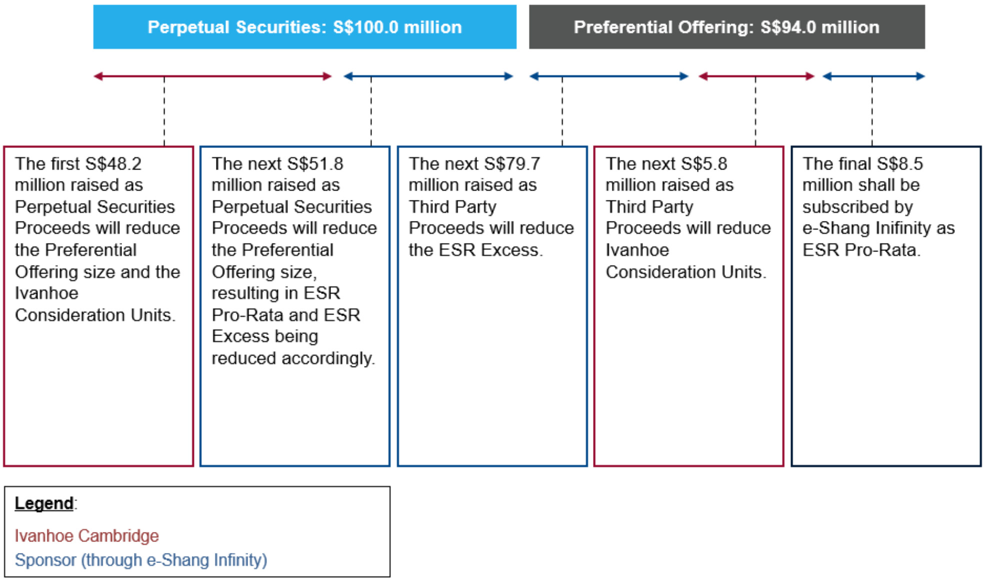
The Singapore Acquisition may be partly paid with the issuance of Ivanhoe Consideration Units of up to S$5.8 million at an Issue Price of S$0.305 per Consideration Unit, depending on the amount which is raised in the Preferential Offering. Please see paragraph 3.4.3 of the Letter to Unitholders for further details on how the number of Consideration Units are derived

1 Please refer to the announcement titled "*Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less than Approximately S$300.0 Million*" dated 16 February 2023.

pursuant to the Singapore Share Purchase Agreement.

Please also refer to the illustrative waterfall charts in paragraphs 5.1.5 and 5.1.5 of the Letter to Unitholders below for a diagrammatic illustration on how the Preferential Offering, the ESR IU and the Ivanhoe Consideration Units operate.

5.1.5 Illustrative Example: Waterfall Chart Based on Perpetual Securities Proceeds of S$100.0 million and Preferential Offering Size of S$94.0 million



Assuming Perpetual Securities Proceeds of S$100.0 million and a Preferential Offering size of S$94.0 million, an illustration of e-Shang Infinity's subscription for Preferential Offering Units pursuant to the ESR IU and Ivanhoe Consideration Units to be issued shall be calculated based on the following:

Raised Amount: Third Party Proceeds and Perpetual Securities Proceeds ("P")	Maximum Ivanhoe Consideration Units to be issued to Ivanhoe Cambridge	Maximum Subscription Amount by e-Shang Infinity
S$100.0 million < P ≤ S$179.7 million	S$5.8 million	S$140.0 million – (P less S$48.2 million)
P > S$179.7 million	S$5.8 million – (P – S$179.7 million)[(1)]	S$8.5 million

Note:

(1) Where P is S$185.5 million or more, no Ivanhoe Consideration Units shall be issued.

Taking into account the ESR IU, the proceeds to be raised from the Preferential

Offering and the issuance of the Consideration Units will be sufficient to meet E-LOG's present funding requirements including the intended use of proceeds for the Acquisitions.[1]

5.2 Pro Forma Financial Effects of the Acquisitions

The pro forma financial effects of the Acquisitions on the DPU, NAV and NTA per Unit and aggregate leverage presented below are strictly for illustrative purposes only. Please refer to **Appendix B** for the Bases and Assumptions underlying the pro forma financial effects of the Acquisitions.

5.2.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The *pro forma* financial effects of the Acquisitions on the amount available for distribution to E-LOG Unitholders, the number of Units and E-LOG's DPU, and the accretion thereof, for FY2023, assuming that the Acquisitions had been completed on 1 January 2023 and E-LOG held and operated the properties through to 31 December 2023, the Acquisitions had been funded with the net proceeds from the Preferential Offering and the Perpetual Securities and assuming that, among other bases and assumptions stated in **Appendix B**, are as follows:

	Actual FY2023	After the Acquisitions
Amount available for distribution (S$'000)	192,698	208,062[(1)]
Applicable Number of Units ('000)	7,515,523	7,878,611
DPU (cents)	2.564	2.641
Accretion (%)	-	3.0%

Note:
(1) Includes the Japan NPI Support but excludes the Singapore Income Support.

5.2.2 Pro Forma NAV and NTA

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisitions on the NAV and NTA, the number of Units and NAV and NTA per Unit, and the accretion thereof, as at 31 December 2023, assuming that the Acquisitions had been completed on 31 December 2023, the Acquisitions had been funded with the net proceeds from the Preferential Offering and the Perpetual Securities, and assuming that, among other bases and assumptions stated in **Appendix B**, are as follows:

1 Please refer to the relevant financial statements of E-LOG, which may be accessed on E-LOG's website, for more information.

	As at 31 December 2023	After the Acquisitions
NAV and NTA (S$'000)	2,463,150	2,570,106
Number of issued Units ('000)	7,689,164	8,042,568
NAV and NTA per Unit (cents)	32.0	32.0
Accretion (%)	-	-

5.2.3 Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisitions on E-LOG's aggregate leverage as at 31 December 2023, assuming that the Acquisitions had been completed on 31 December 2023, the Acquisitions had been funded with the net proceeds from the Preferential Offering and the Perpetual Securities, and assuming that, among other bases and assumptions stated in **Appendix B**, are as follows:

	As at 31 December 2023	After the Acquisitions
Aggregate Leverage (%)	35.7%	41.0%

6. REQUIREMENT FOR UNITHOLDERS' APPROVAL IN RELATION TO RESOLUTION 1 AND RESOLUTION 2

6.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by E-LOG. Such transactions are classified into the following categories:

(i) non-discloseable transactions;

(ii) discloseable transactions;

(iii) major transactions; and

(iv) very substantial acquisitions or reverse takeovers.

A transaction by E-LOG may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with E-LOG's NAV;

(ii) the net profits attributable to the assets acquired, compared with E-LOG's net profits;

(iii) the aggregate value of the consideration given, compared with E-LOG's market capitalisation; and

(iv) the number of Units issued by E-LOG as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set above exceeds 20.0%, the transaction is classified as a major transaction.

6.2 Relative Figures of the Acquisitions Computed on the Bases set out in Rule 1006 of the Listing Manual

The relative figures for the Acquisitions using the applicable bases of comparison described in Rules 1006(b), (c) and (d) (where applicable) are set out in the table below.

Comparison of:	The Japan Acquisition	The Singapore Acquisition	E-LOG	Relative figure (%)
<u>Rule 1006(b)</u> **Net property income**(1) **(S$ million)**	12.9	26.2	273.2(2)	Japan Acquisition: 4.7 Singapore Acquisition: 9.6 Acquisitions: 14.3
<u>Rule 1006(c)</u> **Consideration against market capitalisation** **(S$ million)**	328.0(3)	446.6 (3)	2,113.5(4)	Japan Acquisition: 15.5 Singapore Acquisition: 21.1 Acquisitions: 36.6
<u>Rule 1006(d)</u> **Consideration Units and number of Units** **(million)**	-	39.6(5)	7,685.4(6)	Japan Acquisition: - Singapore Acquisition: 0.5 Acquisitions: 0.5

Notes:

(1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.

(2) Based on the latest audited financial statements of E-LOG for the FY2023.

(3) For the purposes of computation under Rule 1006(c) of the Listing Manual, the consideration given by E-LOG is the Total Japan Acquisition Outlay and the Total Singapore Acquisition Outlay respectively.

(4) This figure is based on the weighted average price of S$0.2750 per Unit on the SGX-ST as at 29 July 2024, being the market day immediately prior to the date of the Japan Sale and Purchase Agreement.

(5) Based on the illustrative Issue Price of S$0.305 per Unit. In light of the Perpetual Securities Proceeds, the size of the Preferential Offering has been reduced to S$94.0 million and this will in turn cause the maximum number of Consideration Units to be issued to be S$12.1 million.

(6) Represents the number of Units issued and to be issued as at 30 June 2024.

Rule 1006(d) of the Listing Manual is not applicable to the Japan Acquisition as E-

LOG will not be issuing any Units as consideration for the Japan Acquisition.

As shown in the table above, the Acquisitions constitute a "major transaction" under Rule 1010 of the Listing Manual (read with Rule 1006(c) of the Listing Manual).

However, the Manager is of the view that the Acquisitions are in the ordinary course of E-LOG's business as the New Singapore Property and the New Japan Property are within the investment mandate of E-LOG and are in the same asset classes and countries as existing properties in E-LOG's portfolio and accordingly, the Acquisitions do not change the risk profile of E-LOG materially. As such, the Acquisitions are not subject to Chapter 10 of the Listing Manual.

6.3 Interested Person Transaction Pursuant to the Listing Manual and Interested Party Transaction Pursuant to the Property Funds Appendix

Under Chapter 9 of the Listing Manual, where E-LOG proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of E-LOG's latest audited NTA, Unitholders' approval is required in respect of the transaction. Based on the latest audited financial statements of E-LOG for the financial year ended 31 December 2023 (the "**FY2023 Audited Financial Statements**"), the NTA of E-LOG was S$2,463.2 million as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by E-LOG with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$123.2 million, such a transaction would be subject to Unitholders' approval under Rule 906(1) of the Listing Manual.

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by E-LOG whose value is equal to or exceeds 5.0% of E-LOG's latest audited NAV. Based on the FY2023 Audited Financial Statements, the NAV of E-LOG as at 31 December 2023 was S$2,463.2 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by E-LOG with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$123.2 million, such a transaction would be subject to Unitholders' approval pursuant to paragraph 5.2(b) of the Property Funds Appendix.

6.3.1 The Japan Acquisition

As the Manager is 99.0% owned by the Sponsor, the Sponsor is regarded as a "controlling shareholder" of the Manager for the purposes of both the

Listing Manual and the Property Funds Appendix. As such, the Sponsor is considered (under Chapter 9 of the Listing Manual) an "interested person" and (under the Property Funds Appendix) an "interested party".

The New Japan Property is held by a fund managed by an indirect wholly owned subsidiary of the Sponsor, who is the general partner of the fund (the "**Japan Vendor Fund**"). The Sponsor has an indirect 5.0% interest in the Japan Vendor Fund, which in turn indirectly holds the Japan Acquisition Vendor, and the Sponsor is in turn a controlling shareholder of the Manager.

The Japan Purchase Consideration is approximately S$322.2 million (which is 13.1% of the latest audited NTA and the NAV of E-LOG respectively as at 31 December 2023). The Japan Purchase Consideration will exceed 5.0% of the NTA and the NAV of E-LOG respectively. Accordingly, the Japan Acquisition between the Japan Acquisition Vendor and E-LOG will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual and an "interested party transaction" as defined under the Property Funds Appendix and the approval of Unitholders would be required in relation to the Japan Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

(See paragraph 11.1 of the Letter to Unitholders below for the abstentions from voting in respect of the Japan Acquisition.)

6.3.2 The Singapore Acquisition

As the Manager is 99.0% owned by the Sponsor, the Sponsor is regarded as a "controlling shareholder" of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, LOGOS Group is an indirect subsidiary of the Sponsor. As such, each of the Sponsor and LOGOS Group is considered (under Chapter 9 of the Listing Manual) an "interested person" and (under the Property Funds Appendix) an "interested party".

LSAV 1, being one of the Singapore Acquisition Vendors, is a special purpose vehicle held by a fund which is indirectly partly held by LOGOS Group, which is in turn an indirect subsidiary of the Sponsor. Further, LSAV 1 Sponsor Investment Ltd. (the "**LOGOS LSAV 1 Investor**"), which is a wholly-owned subsidiary of LOGOS Group, is a limited partner of the fund[1].

LOGOS TSA Venture SPV 2 Pte. Ltd., being the New LOGOS Core Fund Purchaser, is a special purpose vehicle which is partially held by LOGOS Group.

Accordingly, the Singapore Acquisition (including the entry into the

1 The fund is held by the LOGOS LSAV 1 Investor, Ivanhoe Cambridge and another limited partner.

Singapore Shareholder Agreement and the Singapore LLP Agreement with LOGOS TSA Venture SPV 2 Pte. Ltd. (which will hold the balance 49% of the Singapore TargetCo)) between, as the case may be, the Singapore Acquisition Vendors (with LSAV 1 being a special purpose vehicle of the fund partly held by indirect subsidiaries of the Sponsor, which is in turn a "controlling shareholder" of the Manager) and LOGOS TSA Venture SPV 2 Pte. Ltd. (being a special purpose vehicle partially held by the Sponsor) and E-LOG will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual and an "interested party transaction" as defined under the Property Funds Appendix.

Given that the Singapore Purchase Consideration is approximately S$223.9 million (which is approximately 9.1% of the latest audited NTA and the NAV of E-LOG respectively as at 31 December 2023), the Singapore Purchase Consideration exceeds 5.0% of the NTA and the NAV of E-LOG, respectively. Therefore, the approval of Unitholders would be required in relation to the Singapore Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, respectively.

Further, LOGOS Units No. 1 Ltd is a wholly-owned subsidiary of LOGOS Group, which is an indirect subsidiary of the Sponsor, which is in turn a "controlling shareholder" of the Manager. As such, the proposed issuance of the LOGOS Consideration Units will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

For the avoidance of doubt, the proposed issuance of the Ivanhoe Consideration Units will not constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

In approving the Singapore Acquisition, Unitholders are deemed to have approved the issuance of the Consideration Units at an Issue Price of S$0.305 per Unit to the Singapore Acquisition Vendors' Nominees upon completion of the Singapore Acquisition.

(See paragraph 8.1 of the Letter to Unitholders below for the Independent Financial Adviser's opinion on the Singapore Acquisition and paragraph 11.2 of the Letter to Unitholders below for the abstentions from voting in respect of the Singapore Acquisition.)

6.4 Existing Interested Person Transactions

For the information of the Unitholders, as at the Latest Practicable Date, E-LOG had entered into interested person transactions with the Sponsor group and its associates during the current financial year, amounting to approximately S$97.2 million which is equivalent to approximately 3.9% of the latest audited NTA of E-LOG as at 31 December 2023. Save as described above, there were no other interested person transactions entered into with any other interested person of E-

LOG during the current financial year.

The approval of Unitholders is not being sought for these interested person transactions as none of the individual values nor the aggregate value of the transactions entered into in the current financial year ending 31 December 2024 (excluding the Acquisitions in respect of which Unitholders' approval is being sought) were more than or equal to 5% of the group's NTA. For the avoidance of doubt, these interested person transactions which are not being approved by Unitholders will continue to be the subject of aggregation for purposes of Chapter 9 of the Listing Manual.

Details of certain interested person transactions entered into between E-LOG and the Sponsor and its subsidiaries and associates during the course of the current financial year up to the Latest Practicable Date (the "**Existing Interested Person Transactions**"), which are the subject of aggregation pursuant to Rule 906 of the Listing Manual, may be found in **Appendix G.** In approving the Acquisitions, Unitholders are deemed to have approved the Existing Interested Person Transactions as set out in **Appendix G**.

6.5 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager ("**Directors**") collectively hold an aggregate direct and indirect interest in 8,801,574 Units.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed below, the following Directors currently hold a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Stefanie Yuen Thio	265,934	0.003	37,951(2)	0.000	303,885	0.004
Nagaraj Sivaram	1,064,000	0.014	-	-	1,064,000	0.014
Julie Lo Lai Wan	-	-	-	-	-	-
Ronald Lim	184,715	0.002	-	-	184,715	0.002
Loi Pok Yen	7,110,654	0.092	138,320(3)	0.002	7,248,974	0.094
Stuart Gibson	-	-	-	-	-	-
Shen Jinchu, Jeffrey	-	-	-	-	-	-
George Agethen	-	-	-	-	-	-
Adrian Chui	-	-	-	-	-	-

Notes:

(1) The percentage interest is based on total issued Units of 7,698,421,761 as at the Latest

Practicable Date.

(2) As 37,951 Units are held by Ms Stefanie Yuen Thio's husband, Ms Stefanie Yuen Thio is deemed to be interested in these Units.

(3) As 138,320 Units are held by Mr Loi Pok Yen's wife, Mr Loi Pok Yen is deemed to be interested in these Units.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders[1] of E-LOG and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Tong Jinquan	172,802,987	2.245	255,184,832(2)	3.315	427,987,819	5.559
e-Shang Infinity Cayman Limited	690,884,656	8.974	210,672,340(3)	2.737	901,556,996	11.711
e-Shang Jupiter Cayman Limited	-	-	901,556,996(4)	11.711	901,556,996	11.711
LOGOS Units No. 1 Ltd	427,833,337	5.557	-	-	427,833,337	5.557
LOGOS Property Group Limited	-	-	638,505,677(5)	8.294	638,505,677	8.294
ESR Logistics Venture I Limited (formerly known as ARA Logistics Venture I Limited)	-	-	638,505,677(5)	8.294	638,505,677	8.294
ESR Logistics Partners Limited (formerly known as ARA Logistics Partners Limited)	-	-	638,505,677(5)	8.294	638,505,677	8.294
ESR Logistics (Holdings) Pte. Ltd. (formerly known as ARA Logistics (Holdings) Pte. Ltd.)	-	-	638,505,677(5)	8.294	638,505,677	8.294
ESR Asset Management Limited (formerly known as ARA Asset Management Limited)	-	-	638,505,677(5)	8.294	638,505,677	8.294
ESR Group Limited	-	-	1,329,390,333(4)(5)	17.268	1,329,390,333	17.268

Notes:

(1) The percentage interest is based on total issued Units of 7,698,421,761 as at the Latest Practicable Date.

(2) Wealthy Fountain Holdings Inc holds 60 Units and Skyline Horizon Consortium Ltd holds 13,172,094 Units. Both Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd are wholly-owned by Shanghai Summit Pte. Ltd. ("**SSPL**"). Leading Wealth Global Inc ("**LWG**") holds 242,012,678 Units and is a wholly-owned subsidiary of Longemont Real Estate Pte. Ltd., which is in turn a wholly-owned subsidiary of Shanghai Summit (Group) Co., Ltd. ("**SSGCL**").

1 A "**Substantial Unitholder**" means a person who has an interest in Units constituting not less than 5.0% of the total number of Units in issue.

Both SSPL and SSGCL are wholly-owned by Mr Tong Jinquan. Therefore, he is deemed to be interested in the 255,184,832 Units held by Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd and LWG.

(3) e-Shang Infinity Cayman Limited indirectly owns 99% equity interest in the Manager and 100% equity interest in ESR-LOGOS Property Management (S) Pte. Ltd.. Each of the Manager and ESR-LOGOS Property Management (S) Pte. Ltd. holds 170,222,617 Units and 40,449,723 Units, respectively. Therefore, e-Shang Infinity Cayman Limited is deemed to be interested in the 210,672,340 Units held by the Manager and ESR-LOGOS Property Management (S) Pte. Ltd..

(4) ESR Group Limited is the sole shareholder of e-Shang Jupiter Cayman Limited, which is in turn the sole shareholder of e-Shang Infinity Cayman Limited. Therefore, each of ESR Group Limited and e-Shang Jupiter Cayman Limited is deemed to be interested in the 901,556,996 Units held by e-Shang Infinity Cayman Limited.

(5) LOGOS Units No. 1 Ltd. holds 427,833,337 Units and is a wholly-owned subsidiary of LOGOS Property Group Limited ("**LPGL**"). LOGOS Trust Holdco Pte. Ltd. ("**LTHPL**") holds 36% shareholding interest in ESR-LOGOS Investment Management Pte. Ltd. ("**ELIM**"). ELIM holds a 99% shareholding interest in the Manager and a 100% shareholding interest in ESR-LOGOS Property Management (S) Pte. Ltd.. LTHPL is a wholly-owned subsidiary of LOGOS Holdco Pte. Ltd., which is in turn a wholly-owned subsidiary of LPGL. Therefore, LPGL is deemed to be interested in the 625,487,626 Units held by LOGOS Units No. 1 Ltd., the Manager and ESR-LOGOS Property Management (S) Pte. Ltd.. ESR Logistics Venture I Limited holds, directly and indirectly, an aggregate of 100% shareholding interest in LPGL. ESR Logistics Venture I Limited is a subsidiary of ESR Logistics Partners Limited which is in turn a subsidiary of ESR Logistics (Holdings) Pte. Ltd., which is a wholly-owned subsidiary of ESR Asset Management Limited, which is in turn a wholly-owned subsidiary of ESR Group Limited. Accordingly, ESR Group Limited is deemed to be interested in the 625,487,626 Units held by LOGOS Units No. 1 Ltd., the Manager and ESR-LOGOS Property Management (S) Pte. Ltd..

7. RESOLUTION 3: THE PROPOSED PREFERENTIAL OFFERING

7.1 Background

The Manager intends to undertake the Preferential Offering to raise gross proceeds of up to S$94.0 million at the Issue Price of S$0.305 per new Unit. The Manager intends to utilise the gross proceeds from the Preferential Offering to partially fund the Acquisitions.

The aggregate of (i) the proceeds raised from the Preferential Offering, (ii) the proceeds raised from the issuance of the Ivanhoe Consideration Units (if any) and (iii) the Perpetual Securities Proceeds shall not exceed S$194.0 million.

Unitholders should note that the Preferential Offering will be on a non-renounceable basis. The ARE[1] will not be renounceable or transferable, and will be for use only by entitled Unitholders.

The Manager intends to appoint joint coordinators in relation to the Preferential Offering (the "**Joint Coordinators**"). The Manager will work with the Joint Coordinators to determine the time schedule for the Preferential Offering after

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

taking into account market conditions and other factors that the Manager and the Joint Coordinator may consider relevant. The time schedule for the Preferential Offering will be determined in accordance with, among others, Chapter 8 of the Listing Manual.

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

The Preferential Offering will only be launched following the EGM if Resolutions 1, 2 and 3 are all passed.

7.2 Issue Price

The Issue Price of the Preferential Offering has been set at S$0.305 per new Unit, which is:

(i) at a premium to the closing market price of S$0.275 as at the day prior to the announcement of the Acquisitions[1];

(ii) at a premium the closing market price of S$0.290 as at the Latest Practicable Date; and

(iii) at the NAV per Unit of S$0.305 as at 30 June 2024.

7.3 Use of Proceeds

Subject to relevant laws and regulations, on the basis that the Manager will raise gross proceeds of approximately S$94.0 million from the Preferential Offering, the Manager intends to use the gross proceeds from the Preferential Offering in the following manner:

(i) approximately S$92.5 million (which is equivalent to approximately 98.4% of the gross proceeds of the Preferential Offering) to partially fund the Acquisitions; and

(ii) approximately S$1.5 million (which is equivalent to approximately 1.6% of the gross proceeds of the Preferential Offering) to pay for the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by E-LOG in connection with the Preferential Offering.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds from the Preferential Offering at its absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

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1 Please refer to the announcement titled "*The Proposed Acquisition of (I) 100% Trust Beneficiary Interest in ESR Yatomi Kisosaki Distribution Centre in Japan; and (II) 51.0% Interest in 20 Tuas South Avenue 14 in Singapore*" dated 31 July 2024.

Pending the deployment of the net proceeds from the Preferential Offering, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or 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.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Preferential Offering via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Manager will also provide a status report in relation to the foregoing in the annual reports of E-LOG. 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 ELOG's announcements on the use of proceeds and in E-LOG's annual reports and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

7.4 ESR IU

In connection with the Preferential Offering, the Sponsor has provided the ESR IU to procure the subscription by e-Shang Infinity of up to S$140.0 million (comprising the ESR Pro-Rata of up to S$17.4 million and the ESR Excess of up to S$122.6 million) at an Issue Price of S$0.305 per Unit. e-Shang Infinity's undertaking to subscribe for the ESR Excess Units shall be reduced by any amount raised from (i) the Third Party Proceeds and (ii) the Perpetual Securities Proceeds, in excess of S$48.2 million.

(Please refer to paragraphs 5.1.5 and 5.1.5 of the Letter to Unitholders for the illustrative waterfall charts below for a diagrammatic illustration on how the Preferential Offering, the ESR IU and the Ivanhoe Consideration Units operate.)

7.5 Receipt of Approval in-Principle

Approval in-principle has been obtained from the SGX-ST for the listing of, and dealing in and quotation on the Main Board of the SGX-ST of:

(1) the Consideration Units which are proposed to be issued pursuant to the Singapore Acquisition; and

(2) the new Units which are proposed to be issued pursuant to the Preferential Offering.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Consideration Units, the Preferential Offering, the Preferential Offering Units, E-LOG and/or its subsidiaries.

The SGX-ST's in-principle approval is subject to the following:

(ii) compliance with the SGX-ST's listing requirements;

(iii) independent Unitholder's approval for the Japan Acquisition, the Singapore Acquisition and issuance of the Consideration Units and the Preferential Offering; and

(iv) submission of:

(a) a written undertaking from the Manager that it will comply with Rule 803 of the Listing Manual;

(b) a written confirmation from the Manager that it will not issue Consideration Units to persons prohibited under Rule 812(2) of the Listing Manual

(c) 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 proceeds from the Preferential Offering and 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 E-LOG's announcements on use of proceeds and in the annual report;

(d) 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; and

(e) a written confirmation from the financial institution(s) as required under Rule 877(9) of the Listing Manual that e-Shang Infinity which has given the ESR IU has sufficient financial resources to fulfil its obligations under the ESR IU.

7.6 Requirement for Unitholders' Approval

The Manager is seeking Unitholders' approval for a specific mandate to be given to the Manager to issue up to 308,196,721 new Units (representing approximately 4.0% of the total number of issued Units as at the Latest Practicable Date), at an Issue Price of S$0.305 per New Unit, pursuant to Rule 805(1) and Rule 816(2) of the Listing Manual.

7.7 Rationale for the Preferential Offering

The Manager intends to use the net proceeds from the Preferential Offering to partially fund the Acquisitions. The Preferential Offering will help to further strengthen E-LOG's balance sheet, optimise its capital structure and enhance its financial flexibility. Without the Preferential Offering and had the Manager opted to fund both the Acquisitions with (i) debt financing, (ii) the issuance of LOGOS Consideration Units, (iii) the issuance of Ivanhoe Consideration Units and (iv) S$100.0 million of the proceeds raised from issuance of Perpetual Securities, E-LOG's pro forma aggregate leverage post the Acquisitions would have increased to

42.7%. Assuming the net proceeds from the Preferential Offering is used to partially fund both the Acquisitions instead of using debt financing, E-LOG's pro forma aggregate leverage post the Acquisitions is expected to decrease to 41.0%.

In addition, please refer to paragraph 4 of the Letter to Unitholders for the rationale for and key benefits of the Acquisitions.

7.8 Details and Financial Information of the Preferential Offering

The Manager currently intends to use the net proceeds from the Preferential Offering to partially fund the Acquisitions. As such, please refer to paragraph 5.2 of the Letter to Unitholders for the pro forma financial effects of the Preferential Offering.

8. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

The Manager has appointed the Independent Financial Adviser pursuant to Rule 921(4) of the Listing Manual and to advise the Independent Directors, the Audit, Risk Management and Compliance Committee and the Trustee in relation to the Singapore Acquisition (including the Singapore Income Support, the issuance of the LOGOS Consideration Units and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement).

A copy of the letter from the Independent Financial Adviser to the Independent Directors, the Audit, Risk Management and Compliance Committee and the Trustee, containing its advice in full ("**IFA Letter**"), is set out in Appendix E of this Circular and Unitholders are advised to read the IFA Letter in its entirety carefully.

8.1 Resolution 2: The Singapore Acquisition

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the Independent Financial Adviser is of the opinion that the Singapore Acquisition (including the Singapore Income Support, the issuance of the LOGOS Consideration Units and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement), is based on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

Accordingly, the Independent Financial Adviser advises the Independent Directors and the Audit, Risk Management and Compliance Committee to recommend that the Unitholders vote at the EGM in favour of the resolution for the Singapore Acquisition.

9. RECOMMENDATIONS

9.1 Resolution 1: The Japan Acquisition

Having regard to the rationale for and key benefits of the Japan Acquisition as set out in paragraph 4 of the Letter to Unitholders above and the independent valuation reports on the New Japan Property issued by the Japan Independent Valuers, the Independent Directors and the Audit, Risk Management and Compliance Committee are of the opinion that the Japan Acquisition is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

Accordingly, the Independent Directors and the Audit, Risk Management and Compliance Committee recommend that Unitholders vote at the EGM in favour of Resolution 1.

9.2 Resolution 2: The Singapore Acquisition

Based on the opinion of the Independent Financial Adviser (as set out in the IFA Letter in **Appendix E** of this Circular) and having regard to the rationale for and key benefits of the Singapore Acquisition as set out in paragraph 4 of the Letter to Unitholders above, the Independent Directors and the Audit, Risk Management and Compliance Committee believe that the Singapore Acquisition (including the issuance of the LOGOS Consideration Units to LOGOS Units No. 1 Ltd and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement), which is put in place to ensure certainty of completion of the Singapore Acquisition) is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

Accordingly, the Independent Directors and the Audit, Risk Management and Compliance Committee recommend that Unitholders vote at the EGM in favour of Resolution 2.

9.3 Resolution 3: The Proposed Preferential Offering

Based on the rationale for the Preferential Offering as set out in paragraph 7.7 of the Letter to Unitholders above, the Independent Directors and the Audit, Risk Management and Compliance Committee believe that the issuance of new Units under the Preferential Offering at S$0.305 per new Units is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

Accordingly, the Independent Directors and the Audit, Risk Management and Compliance Committee recommend that Unitholders vote at the EGM in favour of Resolution 3.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held at Jasmine Ballroom, Level 3, Marina Bay

Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on 9 October 2024 (Wednesday) at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of Extraordinary General Meeting, which is set out in **Appendix H** of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution in respect of the Acquisitions. Approval by way of an Ordinary Resolution is required in respect of Resolutions 1, 2 and 3.

Unitholders and investors who hold Units through the Central Provident Fund or the Supplementary Retirement Scheme ("**CPF/SRS investors**") will be able to submit questions in advance of, or at, the EGM, as set out in the Notice of EGM in **Appendix H** of this Circular.

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 The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

11. ABSTENTIONS FROM VOTING

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM, or accepting appointments as proxies unless specific instructions as to voting are given.

As at the Latest Practicable Date, the Manager is a subsidiary of the Sponsor.

11.1 Resolution 1: The Japan Acquisition

Given that the New Japan Property is managed by the Sponsor and will be indirectly held by the Sponsor through its 100.0% interest in the Japan Acquisition Vendor, and the Sponsor is in turn a controlling shareholder of the Manager, the Sponsor and LOGOS Group will abstain, and will procure that their associates abstain, from voting on the resolution for the Japan Acquisition at the EGM. The Manager and the shareholders of the Manager will also abstain from voting on the resolution for the Japan Acquisition at the EGM.

Additionally, the following directors of the Manager will abstain from voting on the resolution for the Japan Acquisition for the reasons as set out below:

(i) Mr George Agethen, a Non-Executive Director of the Manager, is also the Co-Head of Asia Pacific of Ivanhoe Cambridge;

(ii) Mr Stuart Gibson, a Non-Executive Director of the Manager, is also the Executive Director, Group Co-Founder and Co-Chief Executive Officer of the Sponsor; and

(iii) Mr Shen Jinchu, Jeffrey, a Non-Executive Director of the Manager, is also the Executive Director, Group Co-founder and Co-Chief Executive Officer of the Sponsor.

11.2 Resolution 2: The Singapore Acquisition

Given that the LSAV 1 is a special purpose vehicle held by a fund which is indirectly partly held by LOGOS Group, which is in turn an indirect subsidiary of the Sponsor, the Sponsor and LOGOS Group will abstain, and will procure that their associates abstain, from voting on the resolution for the Singapore Acquisition at the EGM. The Manager and the shareholders of the Manager will also abstain from voting on the resolution for the Singapore Acquisition at the EGM.

Additionally, the following directors of the Manager will abstain from voting on the resolution for the Singapore Acquisition for the reasons as set out below:

(i) Mr George Agethen, a Non-Executive Director of the Manager, is also the Co-Head of Asia Pacific of Ivanhoe Cambridge;

(ii) Mr Stuart Gibson, a Non-Executive Director of the Manager, is also the Executive Director, Group Co-Founder and Co-Chief Executive Officer of the Sponsor; and

(iii) Mr Shen Jinchu, Jeffrey, a Non-Executive Director of the Manager, is also the Executive Director, Group Co-founder and Co-Chief Executive Officer of the Sponsor.

11.3 Resolution 3: The Proposed Preferential Offering

Given that Resolutions 1, 2 and 3 are inter-conditional, the Sponsor and LOGOS Group will abstain, and will procure that their associates abstain, from voting on the resolution for the Preferential Offering at the EGM. The Manager and the shareholders of the Manager will also abstain from voting on the resolution for the Preferential Offering at the EGM.

Additionally, the following directors of the Manager will abstain from voting on the resolution for the Preferential Offering for the reasons as set out below:

(i) Mr George Agethen, a Non-Executive Director of the Manager, is also the Co-Head of Asia Pacific of Ivanhoe Cambridge;

(ii) Mr Stuart Gibson, a Non-Executive Director of the Manager, is also the Executive Director, Group Co-Founder and Co-Chief Executive Officer of the Sponsor; and

(iii) Mr Shen Jinchu, Jeffrey, a Non-Executive Director of the Manager, is also the Executive Director, Group Co-founder and Co-Chief Executive Officer of the Sponsor.

12. ACTION TO BE TAKEN BY UNITHOLDERS

12.1 Date, Time and Conduct of EGM

The EGM is being convened, and will be held, by way of the Physical Meeting at Jasmine Ballroom, Level 3, Marina Bay Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on 9 October 2024 (Wednesday) at 10.00 a.m. (Singapore time). There will be no option for Unitholders to participate virtually.

12.2 The Circular, Notice of EGM and Proxy Form

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form. The Notice of EGM and Proxy Form will also be available on E-LOG's website at the URL https://esr-logosreit.listedcompany.com/meetings.html and on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

Printed copies of the Notice of EGM, the Proxy Form and the request form for a printed copy of the Circular ("**Request Form**") will be sent to Unitholders.

However, printed copies of the Circular will not be sent to Unitholders. The Circular has been published electronically in the manner set out above. Any Unitholder who wishes to receive printed copies of the Circular should submit his/her/its completed Request Form to the Unit Registrar by 5.00 p.m. (Singapore time) on 2 October 2024 (Wednesday).

12.3 Key Dates and Times

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

Key Dates	Actions
27 September 2024 (Friday), 5.00 p.m.	Deadline for CPF/SRS investors to approach their respective CPF Agent Banks or SRS Operators to specify their voting instructions/arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators at the EGM. Relevant Intermediary Unitholders who wish to exercise their voting rights/be appointed as proxies, must approach their respective Relevant Intermediary as soon as possible.
1 October 2024 (Tuesday), 5.00 p.m.	Deadline for all Unitholders to submit questions in advance of the EGM in relation to the resolution tabled at the EGM. Relevant Intermediary Unitholders (including CPF/SRS investors) who wish to submit questions should approach their respective Relevant Intermediary (CPF Agent Banks/SRS Operators) to do so as soon as possible.
4 October 2024 (Friday), 10.00 a.m.	Date and time by which the Manager will announce on SGXNET and E-LOG's website, the responses to substantial

Key Dates	Actions
	and relevant questions received.
6 October 2024 (Sunday), 10.00 a.m.	Deadline for all Unitholders to complete and submit the Proxy Forms. Duly completed Proxy Forms must be deposited: • via post to the Unit Registrar's office; or • via email to srs.proxy@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF).
9 October 2024 (Wednesday), 10.00 a.m.	Unitholders, proxies, CPF/SRS investors and Relevant Intermediary Unitholders who intend to attend the Physical Meeting must bring their original NRIC/Passport for verification and registration on the day of the EGM.

13. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Manager in connection with the Acquisitions or any other transactions contemplated in relation to the Acquisitions.

14. 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 Japan Acquisition and the Singapore Acquisition (including the issuance of the LOGOS Consideration Units to the Singapore Acquisition Vendors' Nominee, the issuance of the Ivanhoe Consideration Units to Ivanhoe Cambridge and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement), E-LOG and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

15. CONSENTS

Each of (i) the Independent Financial Adviser (being Deloitte & Touche Corporate

Finance Pte Ltd), (ii) the Japan Independent Valuers (being Colliers and CBRE) and the Singapore Independent Valuers (being Cushman and Savills), (iii) the independent market research consultant for the New Japan Property (being JLL Morii Valuation & Advisory K.K. ("**Japan IMR Consultant**")) and the independent market research consultant for the New Singapore Property (being Knight Frank Pte Ltd ("**Singapore IMR Consultant**")) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, (i) the IFA letter, (ii) the respective summary valuation letter and valuation certificate, (iii) the independent market research report and all references thereto, in the form and context in which they are included in this Circular.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager[1] at 5 Temasek Boulevard, #12-09 Suntec Tower 5, Singapore 038985 from the date of this Circular up to and including the date falling three (3) months after the date of this Circular:

(i) the Japan Sale and Purchase Agreement;

(ii) the Singapore Share Purchase Agreement;

(iii) the Singapore Shareholder Agreement (including the form of the Singapore LLP Agreement);

(iv) the Deed of Income Support;

(v) the IFA Letter;

(vi) the independent valuation reports on the New Japan Property issued by the Japan Independent Valuers;

(vii) the independent valuation reports on the New Singapore Property issued by the Singapore Independent Valuers;

(viii) the independent market research report issued by the Japan IMR Consultant for the New Japan Property;

(ix) the independent market research report issued by the Singapore IMR Consultant for the New Singapore Property; and

(x) the written consent of the Japan Independent Valuers, Singapore Independent Valuers, the Japan IMR Consultant and the Singapore IMR Consultant.

1 Prior appointment will be appreciated. Please contact E-LOG Investors Relations team (telephone: +65 6222 3339).

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as E-LOG is in existence.

Yours faithfully

ESR-LOGOS Funds Management (S) Limited
(as manager of ESR-LOGOS REIT)
(Company Registration No. 200512804G)

Adrian Chui
Chief Executive Officer and Executive Director

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of E-LOG in Singapore or any other jurisdictions.

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

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

The past performance of E-LOG is not necessarily indicative of the future performance of E-LOG. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

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

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or 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.

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

This Circular is not for distribution, directly or indirectly, in or into the United States of America ("**United States**" or "**U.S.**"). Any securities of E-LOG will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, or under the securities laws of any other jurisdiction, and any such securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable laws. The Manager does not intend to conduct a public offering of any securities of E-LOG in the United States.

GLOSSARY

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

%	:	Per centum or percentage
Acquisition Fee Units	:	The new Units to be issued to the Manager as payment of the Japan Acquisition Fee and Singapore Acquisition Fee
Acquisitions	:	The Japan Acquisition and the Singapore Acquisition
Agreed Value	:	The agreed market value of the New Singapore Property of S$840.0 million
ALOG Purchaser	:	ALOG Trustee as purchaser
ALOG Trustee	:	Perpetual (Asia) Limited, in its capacity as trustee of ALOG Trust
Amalgamated Entity	:	Following the completion of the Amalgamation, the amalgamated entity of the Singapore TargetCo and the Singapore PropCo
Amalgamation	:	The intended amalgamation of the Singapore TargetCo and the Singapore PropCo following completion of the Singapore Acquisition
ARE	:	The application form for acceptance of new Units provisionally allotted to entitled Unitholders under the Preferential Offering and application for excess new Units.
associate	:	Has the meaning ascribed to it in the Listing Manual
Audit, Risk Management and Compliance Committee	:	The Audit, Risk Management and Compliance Committee of the Manager
AUM	:	Assets under management
BCA	:	Building and Construction Authority
Board	:	The board of directors of the Manager
Business Day	:	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
CASBEE	:	Comprehensive Assessment System for Built Environment Efficiency

CBRE	:	CBRE K.K.
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 24 September 2024
Code	:	Singapore Code on Take-overs and Mergers
Colliers	:	Colliers International Japan KK
Concert Party Group	:	The Sponsor and persons acting or deemed to be acting in concert with the Sponsor
Consideration Units	:	Units to be issued to the Vendor's Nominees as part of the Singapore Purchase Consideration, comprising of the LOGOS Consideration Units and the Ivanhoe Consideration Units
CPF Board	:	CPF Provident Fund Board
CPF/SRS investors	:	Investors who hold Units through the Central Provident Fund or the Supplementary Retirement Scheme
Cushman	:	Cushman & Wakefield VHS Pte. Ltd.
DCF	:	Discounted cash flow
Deed of Income Support	:	The deed of income support entered into between the ALOG Trustee and the Singapore Acquisition Vendors, among others
Deposited Property	:	The total assets of E-LOG, including all its authorised investments held or deemed to be held upon trust under the Trust Deed
Director	:	A director of the Manager
DPU	:	Distribution per Unit
Effective Gross Rents	:	Effective gross rents take into account rent-free periods and the rental escalation for the lease period
EGM	:	The extraordinary general meeting of Unitholders to be convened and held in a wholly physical format at Jasmine Ballroom, Level 3, Marina Bay Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on 9 October 2024 (Wednesday) at 10.00 a.m. (Singapore time), to approve the matters set out in the Notice of Extraordinary General Meeting in **Appendix** H this Circular
ELIM	:	ESR-LOGOS Investment Management Pte. Ltd.

E-LOG	:	ESR-LOGOS REIT
E-LOG Group	:	E-LOG and its subsidiaries
Enlarged Portfolio	:	Existing Portfolio and the New Japan Property and the New Singapore Property
e-Shang Infinity	:	e-Shang Infinity Cayman Limited
ESR Excess	:	The subscription of the ESR Excess Units pursuant to the ESR IU
ESR Excess Units	:	The excess Units of up to S$122.6 million to be subscribed by the Sponsor
ESR IU	:	The irrevocable undertaking provided by the Sponsor in connection with the Preferential Offering, to procure e-Shang Infinity to subscribe for up to S$140.0 million (comprising the ESR Pro-Rata of up to S$17.4 million and the ESR Excess of up to S$122.6 million) at an Issue Price of S$0.305 per Unit
ESR Japan	:	ESR Ltd.
ESR Pro-Rata	:	The subscription of the ESR Pro-Rata Units pursuant to the ESR IU
ESR Pro-Rata Units	:	The pro-rata Units of up to S$17.4 million to be subscribed by the Sponsor
ESR TMK	:	ESR-LOGOS REIT TMK2
Existing Australia Funds	:	E-LOG's investments in three property funds in Australia
Existing Interested Person Transactions	:	Interested person transactions entered into between E-LOG and the Sponsor and its subsidiaries and associates during the course of the current financial year up to the Latest Practicable Date
Existing Loan Settlement Sum	:	The sum of the principal loan amount outstanding as at the closing date of the Singapore Acquisition under the existing loan agreements of the Singapore PropCo and all other outstanding amounts payable by the Singapore TargetCo and/or the Singapore PropCo as at the closing date of the Singapore Acquisition for full repayment of their liabilities and obligations under or pursuant to their existing loan agreements, including any accrued interest and other sums (if any) payable upon the discharge of such liabilities and obligations and the discharge of

		relevant security documents (including but not limited to, any accrued interest outstanding, break fees, prepayment amounts, cancellation fees and termination costs contemplated by the existing loan agreements of the Singapore PropCo, and cost of any interest rate swaps in connection with the existing loan agreements of the Singapore PropCo.
Existing Other Sellers' Shareholder Loans	:	The existing shareholder loans extended by the Other Sellers (as lenders) to the Singapore PropCo (as borrower)
Existing Portfolio	:	The Existing Properties and the Existing Australia Funds
Existing Properties	:	The portfolio of 71 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (18 assets) and Japan (1 asset) currently held by E-LOG
Extended Term	:	The extension from JTC granted on the lease of the New Singapore Property for another 30 years from 22 June 2038
Full Term Cashflow	:	Full 44-year cashflow of the entire New Singapore Property, and on the assumption that the tenant exercises the option to renew for the further 20-year lease
FY2023	:	Financial year ended 31 December 2023
FY2023 Audited Financial Statements	:	Latest audited financial statements of E-LOG for the financial year ended 31 December 2023
GFA	:	Gross floor area
IFA Letter	:	Letter from the Independent Financial Adviser to the Independent Directors, the Audit, Risk Management and Compliance Committee and the Trustee, containing its advice in full
Illustrative Issue Price	:	The illustrative issue price of S$0.305 per Unit
Independent Directors	:	The independent directors of the Manager
Independent Financial Adviser	:	The independent financial adviser to the Independent Directors, the Audit, Risk Management and Compliance Committee and the Trustee, being Deloitte & Touche Corporate Finance Pte Ltd

Independent Unitholders	:	Unitholders other than the Concert Party Group and parties not independent of them
Instruments Proceeds	:	The amount raised from the issuance of capital market instruments (other than instruments which add to the aggregate leverage of E-LOG)
Issue Price	:	The issue price of S$0.305 per Unit
Ivanhoe Cambridge	:	Ivanhoe Cambridge Asia Inc.
Ivanhoe Consideration Units	:	Consideration Units of up to S$5.8 million to be issued to Ivanhoe Cambridge as part of the Singapore Purchase Consideration, depending on the amount which is raised in the Preferential Offering
Japan Acquisition	:	Acquisition of 100% of the trust beneficiary interest of the New Japan Property
Japan Acquisition Fee	:	The acquisition fee of approximately JPY 380 million (approximately S$3.2 million) payable to the Manager in connection with the Japan Acquisition
Japan Acquisition Fee Units	:	The new Units to be issued to the Manager as payment of the Japan Acquisition Fee
Japan Acquisition Vendor	:	Kisosaki TMK
Japan Asset Management Agreement	:	The asset management agreement to be entered into with ESR Japan in relation to the provision of asset management services to be provided in relation to the New Japan Property
Japan Deposit	:	A deposit equivalent to 10.0% of the Japan Purchase Consideration, paid by E-LOG to the Japan Acquisition Vendor (or a person designated by the Japan Acquisition Vendor)
Japan IMR Consultant	:	Independent market research consultant for the New Japan Property, being JLL Morii Valuation & Advisory K.K.
Japan Independent Valuers	:	Colliers and CBRE
Japan NPI Support	:	The 12 months of net property income support for the vacant space at the New Japan Property amounting to JPY 400 million (approximately S$3.4 million)

Japan NPI Support Amount	:	An amount of up to JPY 400 million (approximately S$3.4 million) for the Japan NPI Support
Japan NPI Support Period	:	12 months following the completion of the Japan Acquisition
Japan Property Management Agreement	:	The property management agreement to be entered into with ESR Japan in relation to the provision of property management (including lease management) services in relation to the New Japan Property
Japan Purchase Consideration	:	The purchase consideration of JPY 38,000 million (approximately S$322.2 million) for the New Japan Property
Japan Sale and Purchase Agreement	:	A sale and purchase agreement entered into by ESR TMK and the Japan Acquisition Vendor
Joint Coordinators	:	Joint coordinators in relation to the Preferential Offering
JPY	:	Japanese Yen, as the lawful currency of Japan
JTC	:	JTC Corporation
JTC Fee	:	The fee payable to JTC of approximately S$69.0 million if before 10 January 2029, REC Solar occupies less than a stipulated amount of gross floor area of the New Singapore Property as described in paragraph 3.4.2(ii)(d) of the Letter to Unitholders
JTC Lease	:	JTC lease in relation to the New Singapore Property
Latest Practicable Date	:	19 September 2024, being the latest practicable date prior to the issuance of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST, as the same may be modified amended, supplemented, revised or replaced from time to time
LLP Conversion	:	The conversion of the Amalgamated Entity to a limited liability partnership pursuant to Section 27 of the Limited Liability Partnerships Act 2005
LOGOS Consideration Units	:	The Consideration Units of approximately S$6.3 million which will be issued to LOGOS Units No. 1 Ltd at the Issue Price of S$0.305 per Unit to partly pay for the Singapore Acquisition
LOGOS Group	:	LOGOS Property Group Limited
LOGOS LSAV 1	:	LSAV 1 Sponsor Investment Ltd., a wholly-owned

Investor		subsidiary of LOGOS Group, which is a limited partner of LSAV 1
LPGL	:	LOGOS Property Group Limited
LSAV 1	:	LSAV 1 Portfolio Ltd.
LSLV GP	:	LSLV General Partner
LTHPL	:	LOGOS Trust Holdco Pte. Ltd.
LWG	:	Leading Wealth Global Inc
Market Day	:	A day on which the SGX-ST is open for trading in securities
Meiko Trans	:	Meiko Trans Co., Ltd.
NAV	:	Net asset value
Net Income	:	In relation to the Singapore Income Support Period means, 51.0% of the total property revenue of the New Singapore Property minus 51.0% of the total expenses and 51.0% of the total interest expenses of the New Singapore Property
New Economy	:	The logistics and high-specifications industrial space which caters to the dominant technology-centric sectors such as e-commerce, logistics, data-centre info-comm and advanced manufacturing
New Japan Property	:	A logistics property known as ESR Yatomi Kisosaki Distribution Centre located at 1- 3-4 chome and others, Shinwa, Kisosaki-cho, Kuwana-gun, Mie-ken
New LOGOS Core Fund Purchaser	:	LOGOS TSA Venture SPV 2 Pte. Ltd.
New Singapore Property	:	A Singapore property comprising a high-specifications manufacturing facility and newly constructed ramp-up logistics warehouses with modern specifications located at 20 Tuas South Avenue 14, Singapore 637312
NLA	:	Net lettable area, also know as net rentable area
NPI	:	Net property income
NTA	:	Net tangible assets
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% 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
Other Sellers	:	The other sellers who hold the remaining 49% of the issued shares in the Singapore PropCo as at the Latest Practicable Date
Perpetual Securities	:	E-LOG's issuance of S$174,750,000 in aggregate principal amount of 6.00% subordinated perpetual securities under E-LOG's S$750,000,000 multicurrency debt issuance programme comprised in Series 009
Perpetual Securities Proceeds	:	S$100.0 million of the proceeds raised from the Perpetual Securities
Phase 1	:	The newly constructed four-storey ramp-up logistics warehouse with modern specifications at the New Singapore Property which have obtained the full temporary occupation permit in July 2022
Phase 2	:	The newly constructed two-storey ramp-up logistics warehouse with modern specifications at the New Singapore Property which have obtained the full temporary occupation permit in December 2022
Preferential Offering	:	A non-renounceable preferential offering of new Units to the existing Unitholders on a pro rata basis
Preferential Offering Units	:	The new Units to be issued under the Preferential Offering
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
Raised Amount	:	The amount raised from Third Party Proceeds and Perpetual Securities Proceeds
REC Initial Term	:	The initial term of the lease with REC Solar in respect of the New Singapore Property from 10 January 2019 to 21 June 2038
REC Option Term	:	In the event REC Solar exercises the option to renew the lease in respect of the New Singapore Property, the renewal term of a further 20 years
REC Solar	:	REC Solar Pte. Ltd.
Reliance	:	Reliance Industries Ltd
Restructuring	:	The completion by the Singapore TargetCo of the acquisition of the remaining 49.0% of the issued shares in the Singapore PropCo held by the Other Sellers such

		that the Singapore TargetCo will hold 100.0% of the issued shares in the Singapore PropCo at completion of the Singapore Acquisition
Savills	:	Savills Valuation and Professional Services (S) Pte Ltd
SGX-ST	:	Singapore Exchange Securities Trading Limited
SIC	:	Securities Industry Council
SIC Waiver	:	The waiver granted by the SIC on 30 July 2024 of the requirement for the Sponsor and the Manager to make the Mandatory Offer
Singapore Acquisition	:	Acquisition of 51.0% of the shares in Singapore TargetCo, which indirectly holds the New Singapore Property
Singapore Acquisition Fee	:	The acquisition fee of approximately S$4.3 million payable to the Manager in connection with the Singapore Acquisition
Singapore Acquisition Fee Units	:	The new Units to be issued to the Manager as payment of the Singapore Acquisition Fee
Singapore Acquisition Vendors' Nominees	:	The entities nominated by LSAV 1 to receive the Consideration Units, being LOGOS Units No. 1 Ltd and, if applicable, Ivanhoe Cambridge
Singapore Acquisition Vendors	:	LSAV 1 and LSLV GP
Singapore Actual Net Income	:	The aggregate Net Income of the New Singapore Property during the Singapore Income Support Period
Singapore Asset Management Agreement	:	The asset management agreement to be entered into with the Singapore Asset Manager in relation to the provision of asset management services to be provided in relation to the New Singapore Property
Singapore Asset Manager	:	ESR-LOGOS Funds Management (S) Limited
Singapore IMR Consultant	:	Independent market research consultant for the New Singapore Property, being Knight Frank Pte Ltd
Singapore Income Support	:	The income support to be provided by the Singapore Acquisition Vendors to the ALOG Trustee
Singapore Income Support Amount	:	An amount of up to S$3,519,000 for the Singapore Income Support

Singapore Income Support Period	:	12 months after the completion of the Singapore Acquisition
Singapore Independent Valuers	:	Cushman and Savills
Singapore LLP Agreement	:	The limited liability partnership agreement with respect to the Singapore Property LLP to be entered into between the shareholders of the Singapore Shareholder Agreement after the completion of the LLP Conversion
Singapore PropCo	:	Tuas South Avenue Pte. Ltd.
Singapore Property LLP	:	The limited liability partnership to be registered following the LLP Conversion
Singapore Property Management Agreement	:	The property management agreement to be entered into with the Singapore Property Manager in relation to the provision of property management (including lease management) services in relation to the New Singapore Property
Singapore Property Manager	:	ESR-LOGOS Property Management (S) Pte. Ltd.
Singapore Purchase Consideration	:	The purchase consideration of approximately S$223.9 million for the New Singapore Property
Singapore Share Purchase Agreement	:	A share purchase agreement entered into by the ALOG Purchasers, the New LOGOS Core Fund Purchaser and the Singapore Acquisition Vendors
Singapore Shareholder Agreement	:	The shareholders' agreement entered into between the ALOG Purchaser and LOGOS TSA Venture SPV 2 Pte. Ltd. with respect to the Singapore TargetCo
Singapore Target Net Income	:	The target aggregate Net Income of the New Singapore Property
Singapore TargetCo	:	LSLV Project 5 Pte Ltd
SISV	:	Singapore Institute of Surveyors and Valuers
Sponsor	:	ESR Group Limited
sq ft	:	Square feet
sqm	:	Square metres
SSGCL	:	Shanghai Summit (Group) Co., Ltd.
SSPL	:	Shanghai Summit Pte. Ltd.

Substantial Unitholders	:	Persons with an interest in Units constituting not less than 5.0% of the total number of Units in issue, and "**Substantial Unitholder**" means any one of them
TEUs	:	Twenty-foot equivalent units
Third Party Proceeds	:	Proceeds raised from the Preferential Offering (other than subscriptions from the Sponsor and Ivanhoe Cambridge)
TMK	:	*tokutei mokuteki kaisha*
Total Acquisitions Outlay	:	The Total Japan Acquisition Outlay and the Total Singapore Acquisition Outlay
Total Japan Acquisition Outlay	:	The total acquisition outlay for the Japan Acquisition
Total Singapore Acquisition Outlay	:	The total acquisition outlay for the Singapore Acquisition
Trust Deed	:	The trust deed constituting E-LOG dated 31 March 2006 entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
Trustee	:	Perpetual (Asia) Limited, in its capacity as trustee of E-LOG
tsubo	:	A Japanese unit of area equal to 35.58 sq ft
Unit	:	A unit representing an undivided interest in E-LOG
United States or **U.S.**	:	United States of America
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" 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
WALE	:	Weighted Average Lease Expiry
S$ and **cents**	:	Singapore Dollars and Cents, respectively, the lawful currency of the Republic of Singapore

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

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

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

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

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

APPENDIX A

DETAILS OF THE NEW JAPAN PROPERTY, THE NEW SINGAPORE PROPERTY, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1. The New Japan Property

1.1 Description of the New Japan Property

The New Japan Property is a four-storey double ramp-up modern logistics facility in Greater Nagoya, Japan. The New Japan Property is freehold.

Strategically located between Greater Tokyo and Greater Osaka, the Greater Nagoya region is renowned for its manufacturing industry, particularly the automotive sector, which is centred around Toyota Motor Corporation and accounts for about 30% of the national manufacturing shipment value.

The New Japan Property is strategically located in the northeastern Mie Prefecture, in the Bay Area of Nagoya and on islands formed by the delta of the Kiso Three Rivers. It has excellent road connectivity to the Nagoya Container Terminal (Port of Nagoya) and the Ise-Wangan Expressway.

The table below shows the travel distance and the time required to travel from the New Japan Property to the various connectivity nodes.

	Distance	Time Required to travel by car
Isewangan Expressway: Wangan Nagashima IC (from Mie)	8.5 km	10 mins
Isewangan Expressway: Wangan Yatomi IC (from Nagoya)	9.6 km	11 mins
Isewangan Expressway: Yatomi Kisosaki IC (from Mie)	11.8 km	12 mins
Nagoya Container Terminal (Port of Nagoya)	13.0 km	14 mins
Nagoya CBD	25.0 km	35 mins

Source: ESR Japan, Google Map

The table below sets out a summary of selected information on the New Japan Property as at 30 June 2024, unless otherwise indicated.

	New Japan Property
Asset Type	Warehouse / Distribution Centre (Multi-tenant)
Location	1- 3-4 chome and others, Shinwa, Kisosaki-cho, Kuwana-gun, Mie-ken
Completion Date	28 April 2022
Land Area (sqm)	79,096
NLA (sqm)	134,863
Land Tenure	Freehold
WALE (years)	2.7[(1)]
First year NPI yield [(2)]	4.0% (based on the purchase price of the New Japan Property)
Committed Occupancy	89.4%[(1)]
Number of Tenants	5[(1)]
Valuation by Colliers **(JPY million as at 30 June 2024)**	JPY 38,910 (with Japan NPI Support) JPY 38,710 (without Japan NPI Support)
Valuation by CBRE **(JPY million as at 30 June 2024)**	JPY 38,900 (with Japan NPI Support) JPY 38,800 (without Japan NPI Support)
Purchase price (JPY million)	JPY 38,000
Green Certification	CASBEE A Sustainability Rating[(3)]

Notes:

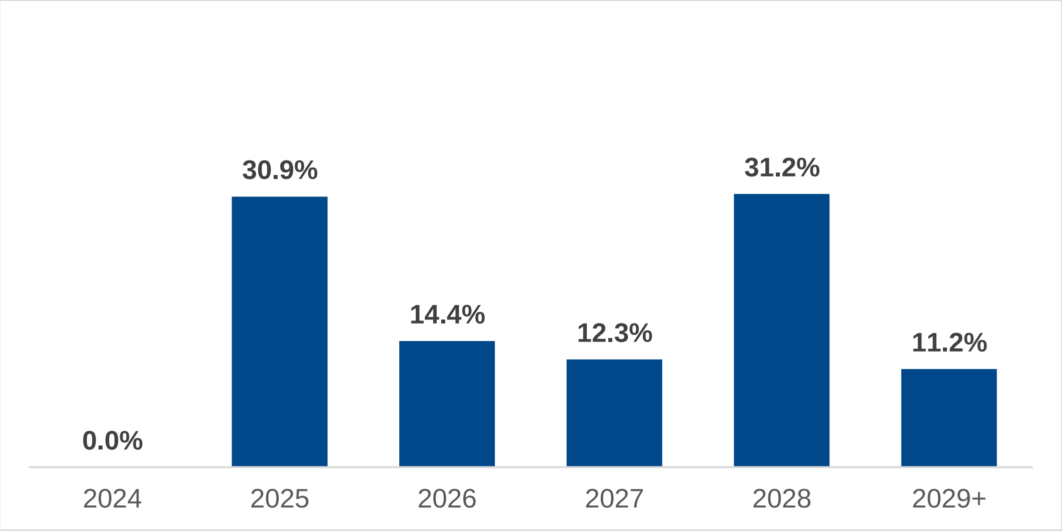
(1) Includes a new tenant secured by ESR Japan in July 2024. ESR Japan is in advanced negotiations with another potential tenant which would further increase the occupancy to 93.2% and WALE to 2.8 years.

(2) Includes the Japan NPI Support

(3) The gradings of CASBEE are ranked in 5 grades: Superior (S), Very Good (A), Good (B+), Slightly Poor (B-) and Poor (C).

1.2 Lease Expiry Profile for the New Japan Property

The chart below illustrates the committed lease expiry profile for the New Japan Property by percentage of monthly Effective Gross Rents as at 30 June 2024[(1)].

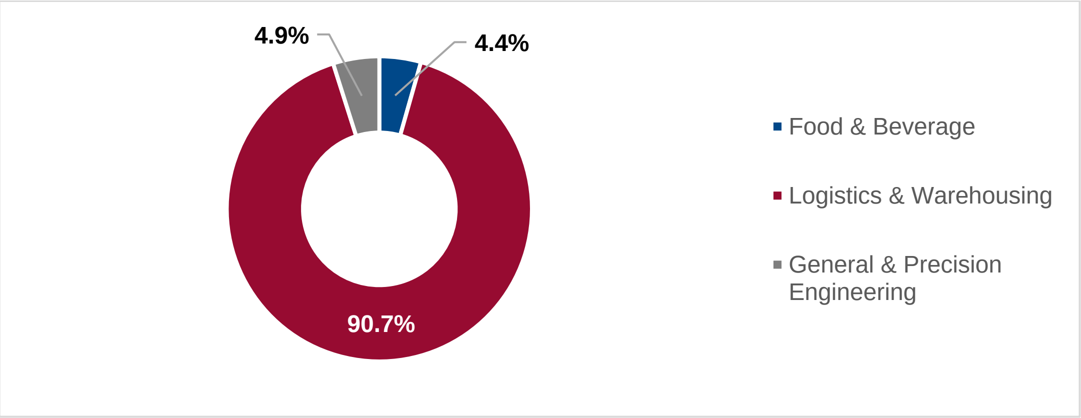


Note:

(1) Includes a new tenant secured by ESR Japan in July 2024.

1.3 Trade Sector Analysis for the New Japan Property

The chart below provides a breakdown by the different trade sectors represented in the New Japan Property as a percentage of monthly Effective Gross Rents as at 30 June 2024[(1)].



Note:

(1) Includes a new tenant secured by ESR Japan in July 2024.

1.4 Tenants of the New Japan Property

The table below sets out the tenants of the New Japan Property.

No.	Tenant	Sector
1	Meiko Trans Co., Ltd.	Logistics & Warehousing
2	Karitsu Co., Ltd	Logistics & Warehousing
3	Tsukasa Kigyo Co., Ltd	Logistics & Warehousing
4	Tanesei Co., Ltd	Food & Beverage
5	New tenant secured in July 2024	General & Precision Engineering

2. The New Singapore Property

2.1 Description of the New Singapore Property

The New Singapore Property comprises a high-specifications manufacturing facility and newly constructed ramp-up logistics warehouses with modern specifications at 20 Tuas South Avenue 14, Singapore 637312.

Tuas is located in the Western region of Singapore which hosts the country's largest manufacturing hub. Under the Urban Redevelopment Authority's 2019 master plan, three new business sectors, namely Jurong Lake District, Jurong Innovation District and the Tuas Mega Port, will be created within this region. Given its close proximity to Tuas Mega Port, the New Singapore Property is able to capture the in-built demand for both logistics space and warehousing space, including specialised storage such as cold storage and dangerous goods. The New Singapore Property also enjoys excellent access to the Jurong Tuas industrial estate and rest of Singapore via the Ayer Rajah Expressway.

In respect of the New Singapore Property:

(i) the existing high-specifications manufacturing facility is 100% leased to REC Solar for approximately 19 years (from 10 January 2019 to 21 June 2038) with an option to renew for a further 20 years[1]; and

(ii) the ramp-up logistics warehouses are leased to various blue-chip tenants (such as Schneider Electric Asia Pte. Ltd., Maersk Logistics and Services Singapore Pte Ltd and DSV Solutions Pte. Ltd.) on a multi-tenanted basis with a WALE of 6.0 years as at 30 June 2024.

1 Should REC Solar exercise the option to renew, the average rent payable per month for the REC Option Term will be approximately 46% of the average rent payable per month for the period of 1 December 2021 to 21 June 2038 (based on the restructured rent period of the lease with REC Solar). See paragraph 3.2.3 of the Letter to Unitholders for further details.

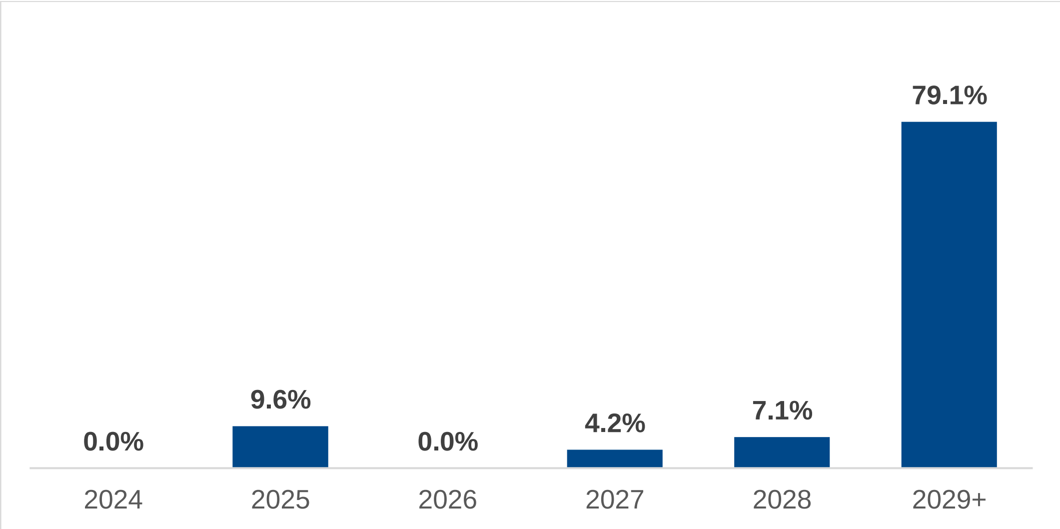
The table below sets out a summary of selected information on the New Singapore Property as at 30 June 2024, unless otherwise indicated.

	New Singapore Property
Asset Type	High-specifications manufacturing facility and modern ramp-up logistics warehouses
Purchase Consideration	S$223.9 million (representing 51.0% of the interest in the Singapore TargetCo which, upon the completion of the Singapore Acquisition, will hold 100% of the Singapore PropCo)
Location	20 Tuas South Avenue 14, Singapore 637312
Completion Year	High-Specifications: 2009 Logistics: 2022
Land Area (sqm)	252,733
Net Lettable Area (sqm)	Total: 247,063 High-Specifications: 150,250 Logistics: 96,813
Land Tenure	Leasehold (approximately 44 years remaining)[1]
WALE (years)	11.2
First year NPI yield	6.1% (based on the Agreed Value)
Occupancy	99.7%
Number of Tenants	8
Valuation by Cushman (as at 30 June 2024)	S$859.7 million
Valuation by Savills (as at 30 June 2024)	S$859.0 million
Agreed Value	S$840.0 million
Green Certification	Green Mark Platinum (for the newly constructed modern ramp-up logistics warehouses)

1 Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease. Without the further term of 30 years from 22 June 2038, the land tenure would be approximately 14 years remaining as at 30 June 2024.

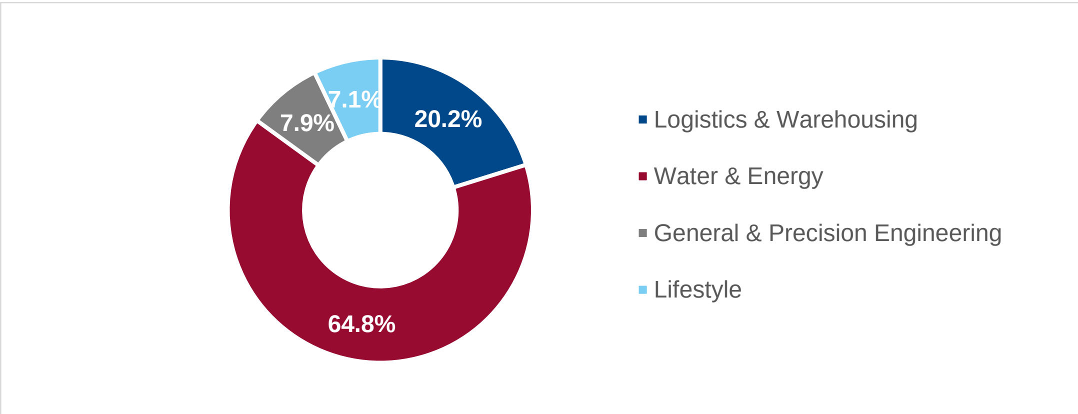
2.2 Lease Expiry Profile for the New Singapore Property

The chart below illustrates the committed lease expiry profile for the New Singapore Property by percentage of monthly Effective Gross Rents[1] as at 30 June 2024.



2.3 Trade Sector Analysis for the New Singapore Property

The chart below provides a breakdown by the different trade sectors represented in the New Singapore Property as a percentage of monthly Effective Gross Rents as at 30 June 2024.



2.4 Tenants of the New Singapore Property

The table below sets out some of the tenants of the New Singapore Property.

No.	Tenant	Sector
1	REC Solar Pte. Ltd.	Water & Energy
2	Schneider Electric Asia Pte. Ltd.	General & Precision Engineering
3	Schenker Singapore (Pte) Ltd	Logistics & Warehousing

1 "**Effective Gross Rents**" take into account rent-free periods and the rental escalation for the lease period.

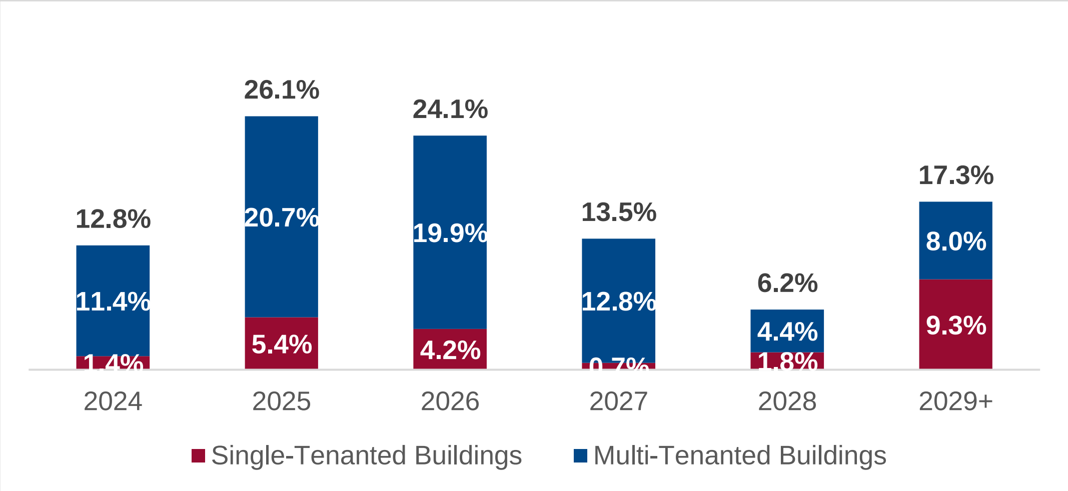
No.	Tenant	Sector
4	Maersk Logistics and Services Singapore Pte. Ltd.	Logistics & Warehousing
5	DSV Solutions Pte. Ltd.	Logistics & Warehousing
6	SF Tuas Pte. Ltd.	Logistics & Warehousing

3. Existing Portfolio

As at 30 June 2024, the Existing Portfolio comprises 71 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (18 assets) and Japan (1 asset), with a total gross floor area of approximately 2.1 million sqm, as well as investments in the Existing Australia Funds. For the avoidance of doubt, the Existing Properties do not include the properties held by the Existing Australia Funds. For the purposes of this Circular, the information on the Existing Properties is as at 30 June 2024 unless stated otherwise.

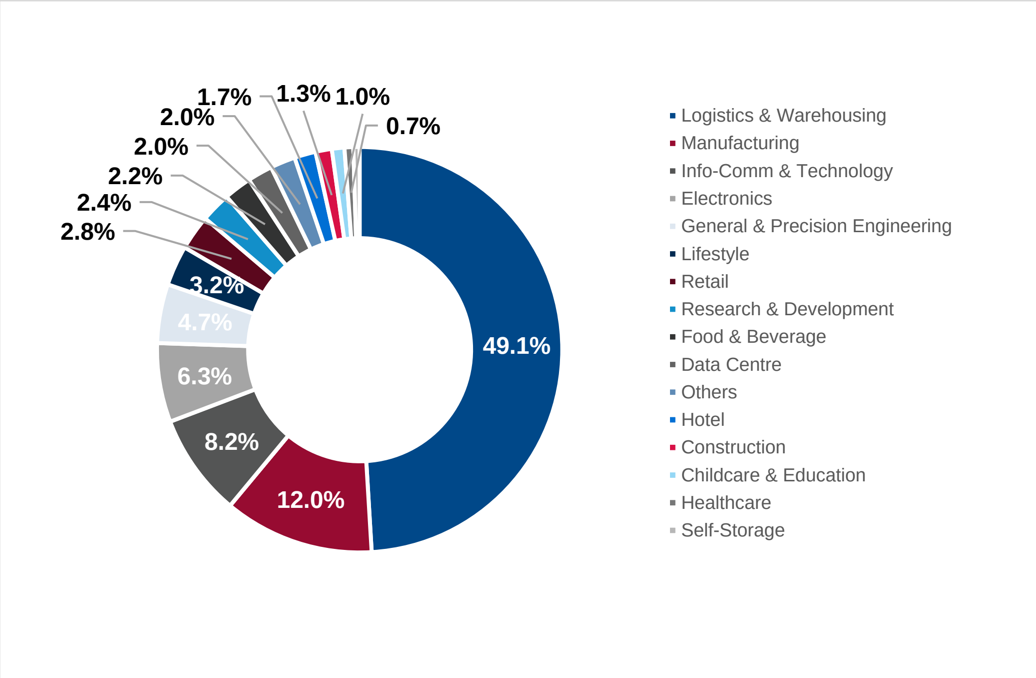
3.1 Lease Expiry Profile for the Existing Properties

The chart below illustrates the lease expiry profile of the Existing Properties by monthly Effective Gross Rents as a percentage of total Effective Gross Rents as at 30 June 2024.



3.2 Trade Sector Analysis for Existing Properties

The chart below provides a breakdown by monthly gross rental income based on committed leases of the different business sectors of tenants represented in the Existing Properties as at 30 June 2024.



3.3 Top Ten Tenants of the Existing Properties

The table below sets out selected information about the top ten tenants of the Existing Properties by monthly Effective Gross Rents committed for the month of June 2024.

No.	Tenant	% of Effective Gross Rents
1	ACFS Port Logistics Pty Ltd	5.9%
2	ams-OSRAM Asia Pacific Pte. Ltd.	5.0%
3	DHL Supply Chain Singapore Pte Ltd	4.9%
4	Meiban Investment Pte Ltd	2.3%
5	Ceva Logistics Singapore Pte Ltd	2.2%
6	Venture Corporation Limited	2.0%
7	Schenker Singapore (Pte) Ltd	2.0%
8	Data Centre Operator (1)	1.9%
9	United Engineers Developments Pte Ltd	1.7%
10	ST Engineering Synthesis Pte. Ltd	1.7%

Note:
(1) Tenant not named due to confidentiality obligations.

4. Enlarged Portfolio

4.1 Overview of the Enlarged Portfolio

The table below sets out selected information on the Enlarged Property Portfolio as at 30 June 2024, unless otherwise indicated.

	The New Japan Property	The New Singapore Property	Existing Portfolio	Enlarged Portfolio
NLA (sqm)	134,863	247,063	1,893,605	2,275,531
Number of Tenants	5[(1)]	8[(2)]	361	372[(2)]
Occupancy Rate (%)	89.4%[(1)]	99.7%	91.4%	92.2%
WALE (years)	2.7[(1)]	11.2	3.3	4.4
Total Assets (S$ million)	329.9[(3)]	859.0[(4)]	4,300.2	5,489.1

Notes:

(1) Includes a new tenant secured by ESR Japan in July 2024

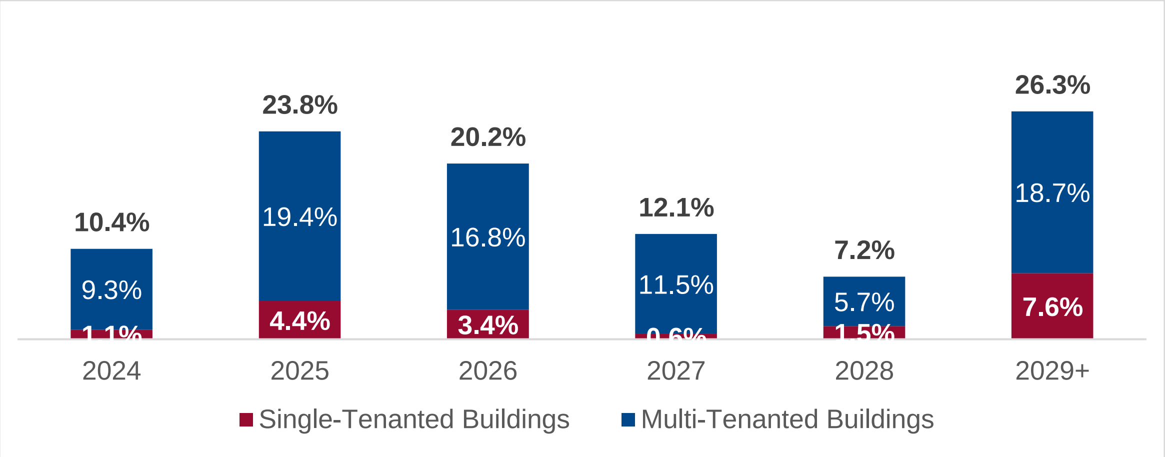
(2) 2 out of the 8 tenants under the New Singapore Property are already existing tenants under the Existing Portfolio.

(3) Based on the valuation from CBRE (with Japan NPI Support) as commissioned by the Manager.

(4) Based on the valuation from Savills as commissioned by the Manager.

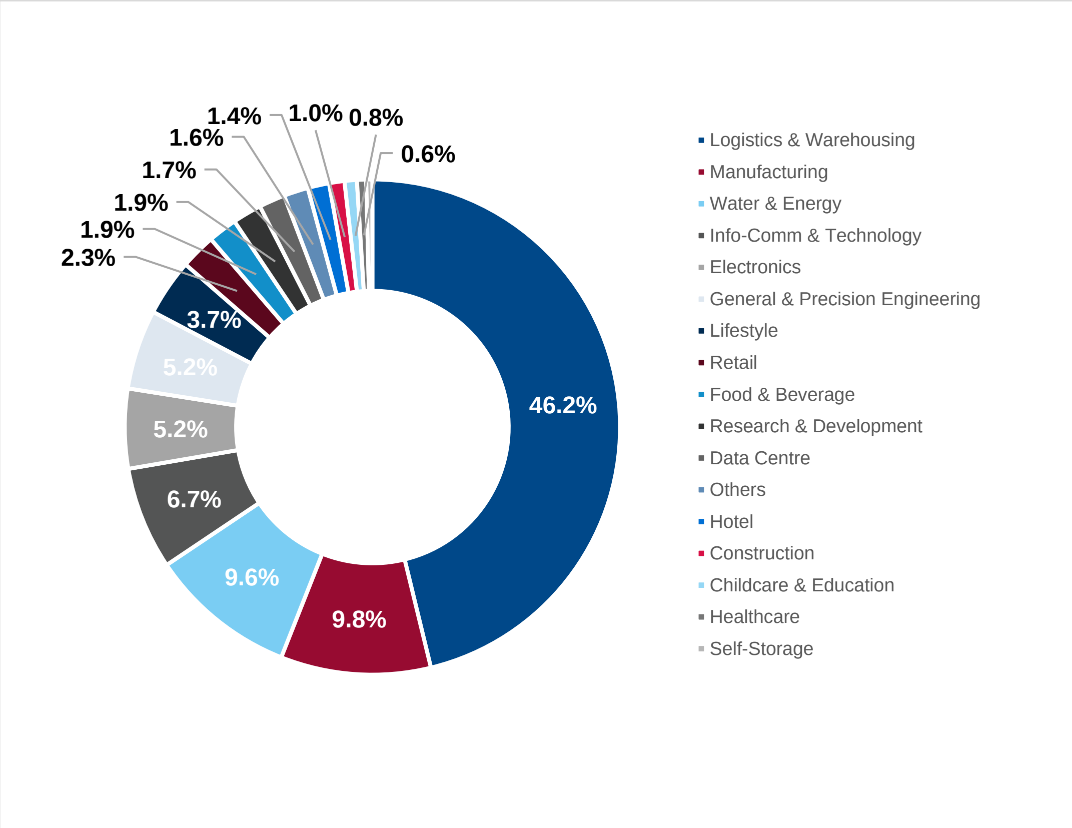
4.2 Lease Expiry Profile for the Enlarged Portfolio

The chart below illustrates the lease expiry profile of the Enlarged Portfolio by monthly Effective Gross Rents as a percentage of total Effective Gross Rents as at 30 June 2024.



4.3 Trade Sector Analysis for the Enlarged Portfolio

The chart below provides a breakdown by monthly Effective Gross Rents based on committed leases of the different business sectors of tenants represented in the Enlarged Portfolio as at 30 June 2024.



4.4 Top Ten Tenants of the Enlarged Portfolio

The table below sets out selected information about the top ten tenants of the Enlarged Portfolio by monthly Effective Gross Rents committed for the month of June 2024.

No.	Tenant	% of Effective Gross Rents
1	REC Solar Pte. Ltd.	10.0%
2	ACFS Port Logistics Pty Ltd	5.0%
3	ams-OSRAM Asia Pacific Pte. Ltd.	4.2%
4	DHL Supply Chain Singapore Pte Ltd	4.1%
5	Schenker Singapore (Pte) Ltd	2.9%
6	Meiban Investment Pte Ltd	2.0%
7	Ceva Logistics Singapore Pte Ltd	1.8%
8	Venture Corporation Limited	1.7%
9	Meiko Trans Co., Ltd.	1.6%
10	Data Centre Operator [(1)]	1.6%

Note:

(1) Tenant not named due to confidentiality obligations.

APPENDIX B

BASES AND ASSUMPTIONS UNDERLYING THE PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITIONS

Basis of preparation for the pro forma financial effects of the Acquisitions on E-LOG's DPU for FY2023

FOR ILLUSTRATIVE PURPOSES ONLY:

The unaudited pro forma financial effects of the Acquisitions on E-LOG's DPU have been prepared based on E-LOG's latest audited financial statements for the financial year ended 31 December 2023 and are based on certain assumptions directly attributable to the Acquisitions.

The assumptions for the Acquisitions are set out as follows:

<u>The Japan Acquisition</u>

(a) the illustrative exchange rate is JPY 100.00 = S$0.848;

(b) the acquisition of the New Japan Property had occurred on 1 January 2023 and a full year pro forma financial effect from the Japan Acquisition was included;

(c) the Japan NPI Support was paid out to E-LOG such that the NPI yield from the New Japan Property is 4.0% for the full year;

(d) net proceeds from the new Japanese Yen dominated banking facilities of JPY 37,917 million (approximately S$321.5 million) were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 1.56% per annum;

(e) existing Singapore Dollar banking facilities of approximately S$3.3 million were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 4.00% per annum;

(f) Japan Acquisition Fee of approximately S$3.2 million (JPY 380 million) was paid by way of the issuance of approximately 10.6 million new Units at the illustrative issue price of S$0.305 per Unit;

(g) approximately 46% of the asset management fees relating to the Japan Acquisition was paid in Units;

(h) other costs including stamp duty, the estimated professional and other fees and expenses of approximately S$2.6 million (JPY 301 million) incurred or to be incurred by E-LOG in connection with the Japan Acquisition were funded as part of the Total Acquisitions Outlay;

The Singapore Acquisition

(a) the acquisition of the New Singapore Property had occurred on 1 January 2023 and a full year pro forma financial effect from the Singapore Acquisition was included;

(b) the Amalgamation and the LLP Conversion had occurred on 1 January 2023 such that the income generated from the New Singapore Property will not be subject to corporate income tax;

(c) the Singapore Income Support was not paid out to E-LOG;

(d) net proceeds of S$172.0 million, being E-LOG's proportionate share of net proceeds from the new Singapore Dollar secured term loan facility of approximately S$341.5 million (with a green loan tranche of S$108.6 million), were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 5.00% per annum;

(e) net proceeds of S$70.0 million were utilised from the new Singapore Dollar unsecured sustainability linked loan of approximately S$225.0 million to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 4.45% per annum;

(f) issuance of approximately 39.6 million Consideration Units at an issue price of S$0.305 per Unit representing an amount of S$12.1 million, comprising of (a) the LOGOS Consideration Units of S$6.3 million to LOGOS Units No. 1 Ltd; and (b) the Ivanhoe Consideration Units of S$5.8 million to Ivanhoe Cambridge to partially finance the Total Acquisitions Outlay;

(g) Singapore Acquisition Fee of approximately S$4.3 million was paid by way of the issuance of approximately 14.0 million Units at the illustrative issue price of S$0.305 per Unit;

(h) 100% of the asset management fees relating to the Singapore Acquisition was paid in Units;

(i) other costs including stamp duty, the estimated professional and other fees and expenses of approximately S$8.1 million incurred or to be incurred by E-LOG in connection with the Singapore Acquisition were funded as part of the Total Acquisitions Outlay;

(j) the Singapore PropCo is not required to pay the fee of approximately S$69.0 million to JTC as described in paragraph 3.4.2(ii)(d) of the Letter to Unitholders; and

The Preferential Offering and the Perpetual Securities Proceeds

(a) approximately 289.2 million new Units was issued under the Preferential Offering at an issue price of S$0.305 per Unit to raise gross proceeds of approximately S$88.2 million to partially finance the Total Acquisitions Outlay; and

(b) approximately S$100.0 million was raised from the issuance of Perpetual Securities to partially finance the Total Acquisitions Outlay.

Basis of preparation for the pro forma financial effects of the Acquisitions on E-LOG's NAV, NTA per Unit and aggregate leverage as at 31 December 2023

FOR ILLUSTRATIVE PURPOSES ONLY:

The unaudited pro forma financial effects of the Acquisitions on E-LOG's NAV, NTA and aggregate leverage have been prepared based on E-LOG's latest audited financial statements for the financial year ended 31 December 2023 and are based on certain assumptions directly attributable to the Acquisitions.

The assumptions for the Acquisitions are set out as follows:

<u>The Japan Acquisition</u>

(a) the illustrative exchange rate is JPY 100.00 = S$0.848;

(b) the acquisition of the New Japan Property had occurred on 31 December 2023;

(c) net proceeds from the new Japanese Yen dominated banking facilities of JPY 37,917 million (approximately S$321.5 million) were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 1.56% per annum;

(d) existing Singapore Dollar banking facilities of approximately S$3.3 million were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 4.00% per annum;

(e) Japan Acquisition Fee of approximately S$3.2 million (JPY 380 million) was paid by way of the issuance of approximately 10.6 million Units at the illustrative Issue Price of S$0.305 per Unit;

(f) other costs including stamp duty, the estimated professional and other fees and expenses of approximately S$2.6 million (JPY 301 million) incurred or to be incurred by E-LOG in connection with the Japan Acquisition were funded as part of the Total Acquisitions Outlay;

<u>The Singapore Acquisition</u>

(a) the acquisition of the New Singapore Property had occurred on 31 December 2023;

(b) the Amalgamation and the LLP Conversion had occurred on 31 December 2023;

(c) net proceeds of S$172.0 million, being E-LOG's proportionate share of net proceeds from the new Singapore Dollar secured term loan facility of approximately S$341.5 million (with a green loan tranche of S$108.6 million), were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 5.00% per annum;

(d) net proceeds of S$70.0 million were utilised from the new Singapore Dollar unsecured sustainability linked loan of approximately S$225.0 million to partially finance the Total Acquisitions Outlay at a weighted average “all-in” finance cost of 4.45% per annum;

(e) issuance of approximately 39.6 million Consideration Units at an Issue Price of S$0.305 per Unit representing an amount of S$12.1 million, comprising (a) the LOGOS Consideration Units of approximately S$6.3 million to LOGOS Units No. 1 Ltd; and (b) the Ivanhoe Consideration Units of S$5.8 million to Ivanhoe Cambridge to partially finance the Total Acquisitions Outlay;

(f) Singapore Acquisition Fee of approximately S$4.3 million was paid by way of the issuance of approximately 14.0 million Units at the illustrative Issue Price of S$0.305 per Unit;

(g) other costs including stamp duty, the estimated professional and other fees and expenses of approximately S$8.1 million incurred or to be incurred by E-LOG in connection with the Singapore Acquisition were funded as part of the Total Acquisitions Outlay;

(h) the Singapore PropCo is not required to pay the fee of approximately S$69.0 million to JTC as described in paragraph 3.4.2(ii)(d) of the Letter to Unitholders; and

The Preferential Offering and the Perpetual Securities Proceeds

(a) approximately 289.2 million new Units was issued under the Preferential Offering at an Issue Price of S$0.305 per Unit to raise gross proceeds of approximately S$88.2 million to partially finance the Total Acquisitions Outlay; and

(b) approximately S$100.0 million was raised from the issuance of Perpetual Securities to partially finance the Total Acquisitions Outlay.

SUMMARY VALUATION REPORTS AND VALUATION CERTIFICATES

Colliers International Singapore

Valuation & Advisory Services

Asia Square, Tower 2, #19-02
12 Marina View
Singapore 018961

MAIN 65 6531 8566
EMAIL govinda.singh@colliers.com

26 July, 2024

Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT) ,
ESR-LOGOS Funds Management (S) Limited, Unitholders of ESR-LOGOS REIT

Dear Sirs,

Re: ESR Yatomi Kisosaki Distribution Centre, 3-4 and other tracts, Kisosakicho Shinwa 1-chome, Kuwana-gun, Mie, Japan (the "Property")

Property Information

Property	4-storey logistics property built on 28 April 2022
Tenure	Fee simple
Land area	79,095.56sq m
Gross floor area	155,331.99sq m
Net lettable area	134,862.80sq m
Occupancy	84.8%
W A L E (Area)	2.5 years
W A L E (Rent)	2.6 years
Major tenants	Meiko Trans Co., Ltd Tsukasa Kigyou Co.,Ltd KARITSU CO., LTD

We refer to instructions by the instructing party, Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT), to carry out a valuation in respect of the abovementioned Property for the purpose of assessing the market value for Acquisition purpose, with summary valuation reports/certificates to be included in a circular to be issued by ESR-LOGOS Funds Management (S) Limited to unitholders of ESR-LOGOS REIT in connection with the acquisition. Our instructions are to provide our opinion of the Market Value of Property as at 30 June 2024. The basis of the valuation is stated in the valuation certificate appended. The comprehensive valuation report has been prepared and that it is to be vested with the issuer.

We confirm that we have prepared a formal valuation report in accordance with the requirements of the instructions.

The valuation has been carried out in accordance with The Royal Institution of Chartered Surveyors (RICS) Valuation Standards and Guidelines, incorporating International Valuation Standards (IVS).

Our valuation is on the basis of Market Value which is intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

This definition of value is consistent with the international definition of Market Value as advocated by RICS, IVS, and the Japanese Real Estate Valuation Standards.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the property is free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

This letter and the valuation summary do not contain all the necessary data and information included in arriving at our valuation opinion.

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The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- The estimated value is based upon the factual information provided. Property data/information provided is assumed to be correct. Whilst Colliers International has endeavored to ensure the accuracy of the information, it has not independently verified all information provided.
- The valuation and report was undertaken based upon information available as at the date of valuation. Colliers International accepts no responsibility for subsequent changes in information as to proposed scheme, areas, income, expenses or market conditions.
- The methodologies adopted in valuing the property are based upon estimates of future results and are not predictions. Each methodology is based on a set of assumptions as to income and expenses of the property and future economic conditions in the local market.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinion and conclusion.
We also confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the property and the valuers undertaking the valuation are authorized to practice as valuers.

Normally, in undertaking a market valuation, the valuer would assess the property to be valued assuming its highest and best use and competent and efficient management. The typical methods employed by valuers of commercial assets are the income approach (Discount Cash Flow method and Direct Capitalization method), cost approach and sale comparable approach. In providing our opinion for the subject property, we have adopted the income approach and the cost approach.

Discounted Cash Flow method

We have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor to make an assessment of the long term return that is likely to be derived from a property with a combination of both net income/rental and capital growth over an assumed investment horizon in undertaking this analysis, a wide range of assumptions are made including a target discount rate, rental growth, sale price of the property at the end of the investment horizon as well as costs associated with its disposal at the end of the investment period.

Direct Capitalization method

we have also utilized the Capitalization Approach by estimating sustainable revenue of a property, adjusting to reflect anticipated operating expenses or outgoings, deriving a net income which is then capitalized at appropriate capitalization rate.

Cost Approach

In the cost approach, we indicate the value of an asset by the cost to create or replace the asset with another similar one, on the premise that a purchaser would not pay more for an asset than the cost to obtain one of equal usefulness.

The income approach using the DCF technique is the method normally employed by Colliers and is believed to be the one best able to reflect the process used by an investor when assessing a price to bid for a particular dynamic income generating property such as the subject property.

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Net Property Income ("NPI") Support

According to the draft of Sale and Purchase Agreement, the seller should compensate the NOI[1] of JPY1,520,000,000 for one year from the settlement date. We judged that the NPI Support was in line with the market.

The rental, taking into account the NPI Support, is at market level.

Pertinent Assumptions and Parameters adopted

By adjusting transaction rates of similar properties for timing, regional factors, and specific factors, the capitalization rate is estimated.

Capitalization Rate	:	3.8%
Discount Rate	:	3.6%
Terminal Cap Rate	:	3.9%

Statement on Source of Information

Property related information	:	Client documents
Leasing profile information	:	Client documents
Planning, consents and authorizations	:	Client documents and Colliers research
Market data	:	Colliers research
Legal and Taxation	:	Client documents
Other information	:	Client documents and Colliers research

Assumptions, Disclaimers, Limitations & Qualifications

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within the formal report and our engagement letter. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

For the purpose of the valuation, we have relied upon various sources of information provided which included historical operating performance accounts from March 2023 to April 2024. Unless stated otherwise, we have assumed that the information provided is accurate and that we have been supplied with all the information that has a material effect upon the value of the property.

Furthermore, we have assumed that any information supplied can, if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

1 Net Operating Income ("NOI") is the Japanese-equivalent term for NPI.

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In our opinion, the market value of the Property as at the valuation date is:

With NPI Support
JPY 38,910,000,000-
(THIRTY-EIGHT BILLION NINE HUNDRED TEN MILLION JAPANESE YEN)

Without NPI Support
JPY 38,710,000,000-
(THIRTY-EIGHT BILLION SEVEN HUNDRED TEN MILLION JAPANESE YEN)

Our Valuation Certificate is appended.

Yours faithfully,

For and on behalf of

Govinda Singh
FCCA FCMA MRICS
Executive Director
Valuation and Advisory Services – Asia
Colliers International Singapore
MRICS No. 6367479

Kumiko Nakakubo
LREA(9952) MRICS
Director
Valuation and Advisory Services
Colliers International Japan KK
MRICS No. 6909383

Colliers International Singapore

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Colliers

VALUATION CERTIFICATE

Property	:	ESR Yatomi Kisosaki Distribution Centre 3-4 and other tracts, Kisosakicho Shinwa 1-chome, Kuwana-gun, Mie, Japan
Client	:	Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT)
Purpose	:	For Acquisition purpose, with summary valuation reports/certificates to be included in a circular to be issued by ESR-LOGOS Funds Management (S) Limited to unitholders of ESR-LOGOS REIT in connection with the acquisition.
Brief Description	:	ESR Yatomi Kisosaki Distribution Centre is a 4-storey logistics property built on 28 April 2022. The building specification is up to date and covers necessary functions for prospective tenants. As at 30 June 2024, the subject property is leased to four tenants.
Registered Owner	:	Kisosaki Tokutei Mokuteki Kaisha
Zoning	:	City Planning Area, Urbanization Control Area Kisosaki Kantaku Hokubu District Plan BCR : Effective 54.03% < Permitted 70% FAR : Effective 176.09% < Permitted 200% The existing land use conforms to the master plan zoning and as-built plot ratio.
Interest Valued	:	Freehold land and building
Land area	:	Ownership of 79,095.56 sqm for building site (Registered) Surveyed Area is 79,095.56 sq m.
Gross Floor Area	:	155,331.99 sq m (1,671,993.54 sq ft)
Net Lettable Area	:	134,862.80 sq m (1,451,663.18 sq ft) (Warehouse: 129,627.96 sq m, Office: 5,234.84 sq m)
Condition and tenancy	:	The occupancy rate as at 30 June 2024 is 84.8% and the gross passing rent is JPY 131,859,219 per month. The typical lease period is 3 or 5 years. The WALE of area is 2.5 years and WALE of income is 2.6 years. The major tenants and leased area are as follows: 1. Meiko Trans Co., Ltd 2. Tsukasa Kigyou Co.,Ltd 3. KARITSU CO., LTD The rental, taking into account the NPI Support, is at market level.
NPI Support	:	According to the draft of Sale and Purchase Agreement, the seller should compensate the NOI[1] of JPY1,520,000,000 for one year from the settlement date. We judged that the NPI Support was in line with the market.
Basis of Valuation	:	Market Value on 'As-Is' Basis.
Valuation Approach	:	Income approach (Discount Cash Flow method and Direct Capitalization method) and Cost approach
Capitalization Rate	:	3.8%
Discount Rate	:	3.6%
Terminal Cap Rate	:	3.9%
Date of Valuation	:	30 June 2024

1 Net Operating Income ("NOI") is the Japanese-equivalent term for NPI.

Colliers International Singapore

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Valuation	:	**Market Value:** **With NPI Support** **JPY 38,910,000,000-** **(THIRTY-EIGHT BILLION NINE HUNDRED TEN MILLION JAPANESE YEN)**
Rate on Net Lettable Area	:	Approximately JPY289,000 per sq m, JPY26,800 per sq ft
Rate on Gross Floor Area	:	Approximately JPY250,000 per sq m, JPY23,300 per sq ft
	:	**Without NPI Support** **JPY 38,710,000,000-** **(THIRTY-EIGHT BILLION SEVEN HUNDRED TEN MILLION JAPANESE YEN)**
Rate on Net Lettable Area	:	Approximately JPY287,000 per sq m, JPY26,700 per sq ft
Rate on Gross Floor Area	:	Approximately JPY249,000 per sq m, JPY23,200 per sq ft
Assumptions, Disclaimers, Limitations & Qualifications	:	This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within the formal report and our engagement letter. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property. For the purpose of the valuation, we have relied upon various sources of information provided which included historical operating performance accounts from March 2023 to April 2024. Unless stated otherwise, we have assumed that the information provided is accurate and that we have been supplied with all the information that has a material effect upon the value of the property. Furthermore, we have assumed that any information supplied can, if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.
Prepared By	:	This valuation has been prepared by Govinda Singh and Kumiko Nakakubo. This valuation has been led by Govinda Singh who is a Member of the Royal Institution of Chartered Surveyors (6367479), and a Registered Valuer. He is suitably qualified to carry out the valuation and has over 15 years' experience in the valuation of properties of this magnitude and nature, globally. He is also a qualified, chartered certified accountant and a Fellow of both the Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Management Accountants (CIMA). This valuation has been prepared by Kumiko Nakakubo who is a Member of the Royal Institution of Chartered Surveyors (6909383), and a Registered Valuer. She is suitably qualified to carry out the valuation and has over 8 years' experience in the valuation of properties of this magnitude and nature, globally. She is also a member of Japan Association of Real Estate Appraisers (9952). They nor Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the Property. We confirm our independence as a valuer and confirm that the fee for this valuation is less than 5% of our total business income.

Contact Details:
Tel: 65 6531 8566

Colliers International Singapore
Valuation & Advisory Services
Company License No: C-006052

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地產代理(公司)牌照號碼
Estate Agent´s Licence (Co.) No. C-004065

26 July 2024

CBRE Limited
Our Reference: AP-241100

ESR-LOGOS Funds Management (S) Limited (the "Manager")
5 Temasek Boulevard
#12-09 Suntec Tower Five
Singapore 038985 (Instructing Party)

Perpetual (Asia) Limited
(in its capacity as trustee of ESR-LOGOS REIT) (the "Trustee")
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981 (Reliant Party)

(together, the "Addressees")

Dear Sirs/Madam,

SUMMARY LETTER OF THE APPRAISAL REPORT OF A PROPERTY IN RELATION TO THE PROPOSED ACQUISITION BY ESR-LOGOS REIT

As instructed by the “Manager”, we, CBRE Limited / CBRE K.K. ("CBRE"), have issued an appraisal report dated 26 July 2024 with material date of valuation as of 30 June 2024 (“Appraisal Report"), outlining the Market Value for ESR Yatomikisosaki Distribution Center within the Property in Japan ("Property") for the purposes of proposed acquisition by ESR-LOGOS REIT.

We provide this Letter which is a condensed version of our more extensive Appraisal Report, outlining key factors that have been considered in arriving at our opinions of value. This Letter should be read in conjunction with the issued Appraisal Report.

We have issued the comprehensive formal full Appraisal Report and this Letter which is vested with the “Trustee”, in accordance with the terms of engagement entered into between CBRE and the “Trustee”, dated 29 May 2024.

Basis of valuation is Market Value subject to existing tenancies and occupational arrangements. The Appraisal Report is prepared in accordance with the Japanese Real Estate Appraisal Standards:

We have prepared this Letter and the valuation certificate in accordance with Rule 222(3) of the SGX’s Listing Manual and the Singapore Institute of Surveyors and Valuers (SISV)’s “Practice Guide for Appraisal Reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars”, a copy of which can be found on the SGX website https://www.sgx.com/regulation/guides-handbooks. According to the Japanese Real Estate Appraisal Standards, Market Value is defined as follows:

“Market value refers to the probable value that would be formed for the marketable real estate in a market that satisfies conditions associated with a rational market under actual socio-economic circumstances. A market that satisfies the conditions associated with a rational market under actual socio-economic circumstances refers to a market that satisfies the conditions listed below.”

1) The market participants must be acting on their own free will and be able to enter or leave the market as they wish. Motivated by the desire to maximize their returns while exhibiting wise and prudent behavior, market participants will satisfy the requirements listed below.

a) No special motivation causes them to sell off or to initiate buying.
b) They have only access to ordinary knowledge and information, required to conduct transactions involving the subject property or in the subject property market.
c) They have expended the labor and costs normally considered necessary to conduct transactions.
d) They premise value on the highest and best use of the subject property.
e) Purchasers have ordinary access to procuring funds (financing).

2) There must be no special curbs on transactions that restrict market participants nor any extraordinary incentives that induce participants to sell off or initiate buying.

3) The subject property must be exposed in the market for an appropriate period of time.

The definition of Market Value in the Letter, valuation certificate and the Appraisal Report corresponds materially with the definition of market value set out in the Practice Guide.

This definition of market value is in accordance with Rule 222(3) of the SGX's Listing Manual and the Singapore Institute of Surveyors and Valuers (SISV)'s "Practice Guide for Appraisal Reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars", a copy of which can be found on the SGX website.

Reliance on this Letter

We have prepared this Letter which summarizes our Appraisal Report and outlines key factors which have been considered in arriving at our opinion of value. CBRE has provided the addressee(s) with a comprehensive Appraisal Report for the Property.

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

– This Letter alone does not contain all the necessary data and support information in terms of the valuation, which is included within our Appraisal Report. To understand the complexity of the methodology and the many variables involved, reference must be made to the Appraisal Report, copies of which are held by ESR-LOGOS REIT.
– The conclusions within the Appraisal Report as to the estimated value are based upon the factual information set forth in the Appraisal Report. Whilst CBRE has endeavored to assure the accuracy of the factual information, it has not independently verified all information provided by ESR-LOGOS REIT, the "Manager" and asset manager, ESR LTD,.
– The primary methodologies used by CBRE in valuing the Property includes the Direct Capitalization Method and Discounted Cashflow Analysis–which is based upon estimates of future financial performance and are not predictions. Each methodology begins with a set of assumptions as to income and expenses of the Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses, and market conditions.
– The Appraisal Report was undertaken based upon information available and provided to us in during the valuation process. CBRE accepts no responsibility for subsequent changes in information as to income, expenses, or market conditions, between these dates and the valuation date. We have inspected the exterior and where possible, the interior of the Property. Inspection of the Property was carried out in May 2024 by a licensed real estate appraiser who belongs to the Japanese Association of Real Estate Appraisers.

No reliance may be placed upon the contents of this Letter by any party for any purpose other than in connection with the Purpose of Valuation and only with reference to the Appraisal Report.

Property Details

ESR Yatomikisosaki Distribution Centre, the subject property is located about 3.2 kilometers from “Yatomi kisosaki Interchange” on the ISEWANGAN EXPRESSWAY. It secures quick access to other logistics infrastructures such as Nagoya Port. It is located about 25 km from central Nagoya, offering good access to the center of Nagoya via National Route 23, an arterial road in the city.

The subject property is a 4-story, multi-tenant logistics facility, used by multiple tenants. It is approximately 2 years old. The parking lot provides a waiting area for 53 trucks and 443 spaces for ordinary vehicles and a solar panel is installed on the roof.

The following provides a summary of the key attributes of the property.

Property	Land Area (sqm)	Tenure	Gross Floor Area (sqm)	Net Lettable Area (sqm)
ESR Yatomikisosaki Distribution Center	79,095.56	Freehold	155,331.99	134,862.80

Areas are approximate.

The tenure of the property is Freehold.

Tenancy Details

The following provides a summary of the tenancies, occupancy, and Weighted Average Lease Expiry (“WALE”) within the property.

Tenancy Details	Tenant #	Occupancy	Wale
ESR Yatomikisosaki Distribution Center	4	84.8%	2.6years

The Security Deposit is equal to 3.0 months’ rent. The name of the top 3 tenants is MEIKO TRANS CO., LTD., Tsukasa Kigyou Co., Ltd and KARITSU CO., LTD.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the industrial property market. We have primarily utilized the Discounted Cashflow Analysis and the Capitalizations Method in undertaking our assessment for the Property.

We have assessed the market value of the property without the income guarantee. We have also provided a assessed the market value of the property with the income guarantee.

According to the Japanese Real Estate Appraisal Standards (“Appraisal Standards”), “basically, the final value should be determined based on the value indicated by the income approach (adopt the DCF Method and examine the result with the Direct Capitalization Method) and reconciled with value indicated by the sales comparison approach and cost approach.” Accordingly, our valuation process follows this instruction. Please note that due to difficulty in collecting sales comparables that substantially resemble the subject property, the sales comparison approach was not applied for this valuation.

In this valuation, considerable emphasis was placed on the value indicated by the income approach as this approach most effectively reflects the economic value of the subject property, and the value indicated by the cost approach was used as a reference. In the process, the following three factors were comprehensively analyzed and considered.

i) Investor survey
ii) Sales comparables
iii) Interview with market participants

Cost Approach

Value indicated by cost approach is estimated as follows; firstly, estimating the reproduction cost of the subject property as of the date of value, and then the reproduction cost is adjusted with depreciation. The value indicated by the cost approach focuses on the cost of the subject property from a seller's viewpoint. The value is a sum of the land value and building value. The land value was estimated by the sales comparison approach based on the actual transaction data, thus the indicated value is reliable. For the estimation of the building reproduction cost, the time adjustment is made reflecting the standard required period from the acquisition of the land to construction and completion of the building.

Direct Capitalization Method

The Direct Capitalization Method applies a capitalization rate directly to NCF generated over a single period. This method is represented by the following formula.

$$P = \frac{a}{R}$$

P : Subject property value indicated by direct capitalization method
a : NCF for a single period
R : Capitalization rate

The NCF used in the Direct Capitalization Method may in some cases be the subject property's Year 1 NCF, and in other cases the standardized NCF. In this valuation, by paying attention to the current rent and other terms and conditions in the lease agreement, the NCF in Year 11 in the DCF Method is applied as the NCF in this valuation.

The standard capitalization rate estimated in the process of DCF Method is a capitalization rate for the standardized NCF. For the estimation of the capitalization rate of the subject property, the changes in cash flow from Year 1 to the stabilized year must be reflected.

In this valuation, the capitalization rate of the subject property is estimated based on the standard capitalization rate and taking into account the cash flow changes toward the stabilized NCF.

DCF Method

The DCF Method discounts the NCF generated over several consecutive periods and the reversionary value at the end of the holding period. The NCF is discounted to present value in accordance with the timing of the NCF. The discounted NCF is then added up. This method is represented by the following formula.

$$P = \sum_{k=1}^{n} \frac{a_k}{(1+Y)^k} + \frac{P_R}{(1+Y)^n}$$

P : Subject property value indicated by income capitalization approach
a_k : NCF for each period
Y : Discount rate
n : Holding period
P_R : Reversionary value

The holding period in this estimation is determined as 10 years, comprehensively considering the actual holding period plan and typical holding period that investors usually use for analysis.

In accordance with the Appraisal Standards, the NCF of the subject property was estimated by calculating net operating income (NOI)[1] (deducting operating expenses from operating income) and then adding interest on deposit to and deducting CAPEX from the NOI.

Reversionary value refers to the value of the subject property at the end of the holding period. In this valuation, the potential sales price at the end of the holding period is determined first, and then the required sales expenses are deducted from that price.

The discount rate is estimated taking into account the characteristics and feasibility of estimated cash flow, with particular notice given to the uncertainty not reflected in the estimated cash flow. In this estimation, the relation between the standard capitalization rate and the surveys used during the process was regarded as an important reference.

The terminal capitalization rate was estimated based on the standard capitalization rate and by taking into account attributes of the building such as remaining economic life and future uncertainty.

The adopted capitalization rate, discount rate and terminal capitalization rate are as follows:

Property	Capitalization Rate	Discount Rate	Terminal Capitalization Rate
ESR Yatomikisosaki Distribution Center	3.80%	3.60%	3.90%

Valuation Method Weighting

The following table indicated the individual property value based on the Capitalization Method and the Discounted Cashflow Analysis.

Property	Capitalized Value (JPY)	DCF Value (JPY)	Adopted Value (JPY)
ESR Yatomikisosaki Distribution Center	39,100,000,000	38,900,000,000	38,900,000,000

The DCF method clearly specifies each year's NCF and the reversionary value, as well as the time they are generated. Accordingly, it is a persuasive method for the estimation of the value indicated by the income capitalization approach.

The direct capitalization method applies a capitalization rate to the NCF generated over a single period. It reflects long-term stable profitability based on stabilized rental income.

Taking into account the more accurate NCF changes in the DCF method, the value indicated by the income capitalization approach was concluded placing weight on the DCF method.

[1] Note: (1) Net Operating Income ("NOI") is the Japanese-equivalent term for NPI

Assessment of Value – with NPI Support

We are of the opinion that the Market Value of the freehold interest in the Property, subject to the existing tenancies and occupational arrangements, is as follows:

ESR Yatomikisosaki Distribution Center as of June 30, 2024 is JPY 38,900,000,000 (Thirty Eight Billion Nine Hundred Million Japanese Yen).

According to the draft of Sale and Purchase Agreement, the Seller should compensate the NOI of JPY 1,520,000,000 for one year from the settlement date. We judged that the NPI Support was in line with the market.

Assessment of Reference Value – without NPI Support

Using the same methodology as the above stated valuation we have assessed the reference value of the property without NPI Support and we have concluded the Reference Value of ESR Yatomikisosaki Distribution Center as of June 30, 2024 is JPY 38,800,000,000 (Thirty Eight Billion Eight Hundred Million Japanese Yen).

Key Risks, Assumptions, Disclaimers, Limitations, and Qualifications

CBRE have prepared this Letter which appears in the Circular and, to the extent permitted by law, specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the aforementioned Reports and this Letter. CBRE does not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by CBRE in this Letter.

CBRE has relied upon property data supplied by the "Manager" which we assume to be true and accurate. CBRE takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions. CBRE and the respective appraisers involved in each assignment have no present or prospective interest in the Property and have no personal interest or bias with respect to the party(ies) involved.

The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorized to practice as appraisers and have at least 5 years of experience in valuing real estate properties in a similar industry and area as the real property in which the valuation is conducted.

None of the information in this Letter or our Appraisal Report constitutes advice as to the merits of entering into any form of transaction. Furthermore, none of the information in this Letter or our Appraisal Report constitutes financial product advice.

Neither this letter, nor the Appraisal Report purport to contain all the information that any interested party may require. They do not consider individual circumstances, financial situation, investment objectives or requirements. They are intended to be used as guide only and do not constitute advice including without any limitation, investment, tax, legal or any other type of advice. The valuations stated are only best estimates and are not to be construed as a guarantee. The material contained in these valuations should not be relied upon as a statement or representation of fact without confirmation or satisfaction as to its correctness by independent investigation and review of the Appraisal Report to understand the assumptions and methodologies stated in the valuations.

This Letter and the Appraisal Report are strictly limited to the matters contained within those documents and are not to be read as extending, by implication or otherwise, to any other matter in the circular. To the extent permitted by law (including the Securities and Futures Act, 2001 of Singapore), CBRE specifically disclaims any liability in respect of the use of or reliance on this Letter to any person in the event of any omission or false or misleading statement other than to the Addressees. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of this Letter.

Yours sincerely
CBRE Limited

Danny Mohr, AAPI, MSISV, FRICS, RICS Registered Valuer
Head of Valuation & Advisory Services | Asia, Middle East & Africa
Head of International Valuation | Asia Pacific
Encl.: Appendix 1 – Valuation Certificates

CBRE

Appendix 1

Valuation Certificate

Property Name:	ESR Yatomikisosaki Distribution Center
Address of property:	1-3-4, Shinwa, Kisosaki-Cho Kuwana-Gun, Mie
Prepared for:	ESR-LOGOS Funds Management (S) Limited (the "Manager") and Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT) (the "Trustee")
Purpose of valuation:	To ascertain the Market Value of the subject property for acquisition purposes, with summary valuation report / certificate. These will be included in a Circular to be distributed to ESR-LOGOS REIT Unitholders.
Interest to be valued:	Land: Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	Kisosaki Tokutei Mokuteki Kaisha
Bldg. Registered Owner:	Kisosaki Tokutei Mokuteki Kaisha
Tenure of property:	Freehold
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Control Area, Urbanization Control Area, Area SCR: 60%, Subject SCR: 70%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 4-story building with reinforced concrete structure, which was built in 2022. It is a logistics property, currently leased to a multiple tenant. The building is approximately 2 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 84.8% as of 30 June 2024.
WALE:	2.6 years
NPI Support:	There is NPI Support arrangements in place. According to the draft of the Sale and Purchase Agreement for the property, the seller should compensate the NPI of JPY1,520,000,000 for one year from the settlement date. We judged that the NPI Support was in line with the market.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	15.2%
Stabilized Vacancy:	5.0%

Land Area (sqm):	79,095.56
Gross Floor Area (GFA) (sqm):	155,331.99
Net Lettable Area (NLA) (sqm):	134,862.80
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).
Date of Value:	30 June 2024
Date of Report:	26 July 2024

Valuation Approaches Applied

Income Approach - Discounted Cash Flow Method	JPY	38,900,000,000
Discount Rate (DR):		3.6%
Terminal Cap Rate (TCR):		3.9%
Income Approach - Direct Capitalization Method	JPY	39,100,000,000
Cap Rate (CR):		3.8%
Cost Approach	JPY	31,800,000,000
Final Value Conclusion (with NPI Support)	JPY	38,900,000,000
(The value is exclusive of consumption tax)	JPY per GFA (sqm)	250,431
	JPY per NLA (sqm)	288,441
Reference Value (without NPI Support)	JPY	38,800,000,000
(The value is exclusive of consumption tax)	JPY per GFA (sqm)	249,788
	JPY per NLA (sqm)	287,700

Assumptions, Disclaimers, Limitations & Qualifications:

The above value fully follows the appraisal guidelines set forth by the Japanese Real Estate Appraisal Standards. Save as provided in the agreement engaging CBRE K.K. to provide their opinion on the Market Value, within the full valuation report and/or this appraisal certificate, this certificate is for the use only of the party to whom it is addressed and for no other purpose. The Manager and the Trustee as addressees of the valuation report and this appraisal certificate will, together with their respective successors and assigns, be entitled to rely on the valuation, and in addition, the underwriters appointed by the Manager and the Trustee in connection with the PO and their respective successors and assigns will be entitled to rely on the valuation. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By: CBRE Limited

Per Danny Mohr
AAPI, MSISV, FRICS, RICS Registered Valuer
Head of Valuation & Advisory Services | Asia, Middle East & Africa
Head of International Valuation | Asia Pacific

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Company Registration No. 200709839D

30 June 2024

Perpetual (Asia) Limited
(in its capacity as trustee of ESR-LOGOS REIT)

Perpetual (Asia) Limited
(in its capacity as trustee of ALOG Trust)
16 Collyer Quay #07-01
Singapore 049318

Dear Sirs/Mesdames,

VALUATION OF 20 TUAS SOUTH AVENUE 14, SINGAPORE 637312

Cushman & Wakefield ("C&W") has been instructed by Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT) and Perpetual (Asia) Limited (in its capacity as trustee of ALOG Trust) (collectively, the "Trustees") to provide the Market Value as at 30 June 2024 and report in respect of the abovementioned property ("the Property") for acquisition purposes and inclusion in the circular to be issued by the ESR-LOGOS REIT Manager (the "Manager") in connection with the acquisition.

C&W has prepared the valuation in accordance with the requirements of the instruction and the following international definition of Market Value:

"Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after property marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

The valuation has been made on the assumption that the owner sells the property on the open market in their existing state taking into account the terms of the existing occupancy arrangements, where appropriate, but without the benefit of any other deferred term contract, joint venture or any similar arrangement which would affect the value of the property.

We provide a valuation summary on the Property together with the key factors that have been considered in determining the market value of the Property. The value conclusion reflects all information known by the valuers of C&W who worked on the valuation in respect to the Property, market conditions and available data.

Reliance on This Letter

This letter is a summary of the report that C&W has prepared and it does not contain all the necessary information and assumptions that are included in the report. Further reference may be made to the report, a copy of which is held by the Manager.

The valuation contained in the report is not a guarantee or a prediction but is based on the information obtained from reliable and reputable agencies and sources, the Manager and other related parties. Whilst C&W has endeavoured to obtain accurate information, it has not independently verified all the information provided by the Manager or other reliable and reputable agencies.

C&W has also relied to a considerable extent the property data provided by the seller on matters such as land leases, tenancy details, income and expenses information, site and building plans, site and floor areas, dates of completion and all other relevant matters.

Also, in the course of the valuation, we have assumed that all leases are legally valid and enforceable and the Property has proper legal titles that can be freely transferred, leased and sub-leased in the market without being subject to any land premium or any extra charges, C&W has no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Property. C&W has assumed that the Property is free from encumbrances, restrictions or other outgoings of an onerous nature which would affect the market values, other than those which have been made known to C&W.

The methodologies used in valuing the Property, are namely, the Discounted Cash Flow Analysis, Capitalisation Approach and Sales Comparison Method.

The income approaches, where used, are based on our professional opinion and estimates of the future results and are not guarantees or predictions. Each methodology is based on a set of assumptions as to the income and expenses taking into consideration the changes in economic conditions and other relevant factors affecting the property. The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This summary does not contain all the necessary support data and details included in the report. For further information on that, reference should be made to the report to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at.

We have not conducted structural surveys nor tested the building services as this is not part of our terms of reference and, as such, we cannot report that the Property is free from rot, infestation or any other structural defects. For the purpose of this valuation, the Property is assumed to be in sound structural condition and the building services in good working order. Our valuation assumes that the premises and any works thereto comply with all relevant statutory and planning regulations.

We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Valuation Rationale

In arriving at our valuation, we have considered relevant general and economic factors and researched recent transactions of comparable properties that have occurred in the vicinity or in similar standard localities. We have utilized the Discounted Cash Flow Analysis and Capitalisation Approach; and also Comparison Method for the ramp up warehouses. We have placed equal weightage on each method, where adopted, in undertaking our assessment of the Property.

Discounted Cash Flow Analysis

We have carried out a discounted cash flow analysis over the REIT's 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor to make an assessment of the long term return that is likely to be derived from a property with a combination of both net income/rental and capital growth over an assumed investment horizon in undertaking this analysis, a wide range of assumptions are made including a target discount rate, rental growth, sale price of the property at the end of the investment horizon as well as costs associated with its disposal at the end of the investment period.

We have investigated the current market requirements for a return over the investment period from the relevant market sector in order to determine the appropriate discount rates for the Property.

Our selected terminal capitalisation rate used to estimate the terminal sale price, where applicable, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building at the end of the investment period. The adopted terminal capitalisation rate, additionally, has regard to the duration of the remaining tenure of the property at the end of the cash flow period.

Capitalisation Approach

Where appropriate, we have also utilized the Capitalisation Approach by estimating sustainable revenue of a property, adjusting to reflect anticipated operating expenses or outgoings, deriving a net income which is then capitalised at appropriate capitalisation rate over the remaining lease term or tenure.

Alternatively, and based on the same approach, this method can be varied so that the market rent is capitalised in accordance to the tenure of the lease with appropriate adjustments for rental shortfalls and/or overages.

Comparison Method

In the Comparison Method, reference to comparable sale transactions where available in the relevant market have been made. Appropriate adjustments for differences such as location, tenure, age and condition and sizes, amongst other factors, are made between the property and the comparables.

The Property

The Property is located at 20 Tuas South Avenue 14, at the intersection of Tuas South Avenue 14 and Tuas South Avenue 5 and has balance tenure of approximately 44 years as at date of valuation.

The following table summarises the key details of the Property such as:

Land Area:	252,733 square metres
Gross Floor Area (GFA):	251,289 square metres – according to information provided

Total Leasable Area ("NLA"):	Approximately 247,063 square metres – according to information provided and may be broken down into the following: Hi-Specification facility: 151,812 square metres Ramp-up warehouses: 96,813 square metres (include master tenant's space of 1,562 square metres)
Tenancy Profile:	Top tenants include REC Solar, Schenker, Schneider Electric and Maersk. Please refer to attached Valuation Certificate for more details.
Income Support:	Our valuation did not take into account income support provided, if any.

Summary of Valuation

The valuation of the Property, subject to existing occupancy arrangements, free from encumbrances, and land premium for further term yet to be paid by the head lessee is summarized below:

Building Description	Sub-total (SGD)	Total (SGD)
Hi-Specification Facility	$568,200,000	
Ramp-up warehouses	$291,500,000	
Market Value as at 30 June 2024:		**S$859,700,000**

Our valuation is exclusive of Goods and Services Tax, where applicable.

The Valuation Certificate containing more property details is attached.

Disclaimers and General Comments

We have prepared this valuation summary on the Property for acquisition purpose and inclusion in circular to be issued by the Manager in connection with the acquisition. We only make warranty or representation as to the accuracy of the information in this valuation summary and the report.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the client is contracting with.

The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers in the respective jurisdictions and have more than 30 years' experience in valuing similar types of properties.

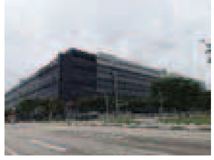
Yours faithfully,

For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.

Chew May Yenk
MSISV,
Licensed Appraiser No AD41-2004419H
Executive Director
Valuation & Advisory, Singapore

Enc: Valuation Certificate

VALUATION CERTIFICATE



Date of Valuation:	30 June 2024
Property Address:	20 Tuas South Avenue 14 Singapore 637312 (the "Property")
Client:	Perpetual (Asia) Limited (in its capacity as trustee of ALOG Trust); and Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT)
Interest to be Valued:	Leasehold interest in the Property with balance 44 years approximately.
Purpose of Valuation:	For acquisition purposes and inclusion in the circular to be issued by ESR-LOGOS REIT Manager in connection with the acquisition.
Basis of Valuation	Market value of the remaining leasehold interest in the Property, with existing tenancy arrangements.
Registered Lessee:	Tuas South Avenue Pte. Ltd.
Legal Description:	Lot 4799A of Mukim 7
Tenure:	Leasehold 30 years commencing 22 June 2008 with a further term of 30 years (balance approximately 44 years)
Master Plan Zoning:	Zoned "Business 2" with a permissible plot ratio up to 1.0 (2019 Edition)
Location Description:	The Property is located at the intersection of Tuas South Avenue 14 and Tuas South Avenue 5. It is situated some 36 km away from the city centre at Raffles Place, in the western part of Singapore. Surrounding developments are generally industrial in nature, comprising a mix of factories, warehouse/logistic developments as well as vacant sites for future development. The Tuas Megaport is a short distance away to the south.
Brief Description of Property:	The Property comprises a photovoltaic panel manufacturing plant with a 3-storey wafer building, a 4-storey cell building, a 3-storey module building and various ancillary buildings ("Hi-Specs Facility"); and the newer part 4/ part 2-storey ramp-up warehouses with ancillary offices and roof top car parking ("Ramp-up Warehouses"). The Temporary Occupation Permit ("TOP") for the Hi-Specs Facility was obtained circa 2009 and for addition and alteration works completed circa 2018. The Ramp-up Warehouses were completed in phases with Phase 1 latest TOP issued in July 2022 and Phase 2 latest TOP issued in December 2022. The Ramp-up Warehouses was awarded the BCA Green Mark Award (Platinum).
Land Area:	252,733.0 square metres
Gross Floor Area (GFA):	251,289 square metres – according to information provided
Total Leasable Area ("NLA"):	Approximately 247,063 square metres – according to information provided and may be broken down into the following: Hi Specs facility : 151,812 square metres Ramp-up warehouses: 96,813 square metres
Tenancy Details:	According to information provided, the Hi-Specs Facility is leased to REC Solar Pte Ltd (the "Master Tenant") until the expiry of the initial term of JTC lease on 21 June 2038. The monthly rent comprises ground rent and additional rent. The ground rent commenced on 1 December 2023 at S$7,000,000 per annum and expected to grow by 1.75% per annum ("p.a."); while the additional rent commenced on 1 December 2021 at S$27,780,574 p.a. and expected to grow by 1% p.a. from 1 December 2022 onwards. The current Master Tenant's passing net rent is considered to be at market level. We understand there is an option to renew for a further term of twenty (20) years commencing immediately after the expiry of the initial term (the "Renewal Term") with only ground rent chargeable at approximately S$14,450,000 per annum and

subject to annual rental escalation of around 1.75% p.a. during the renewal term. However, the renewal term is subjected to fulfilment of certain terms and conditions.

According to information provided, about 99.3% of the total leasable area in the ramp up warehouses are leased to 7 tenants (excluding Master Tenant).

The WALE by total GLA/NLA and by gross rental income is around 10.7 years and 11.0 years respectively.

Valuation Approaches: Discounted Cash Flow Analysis | Capitalisation Approach | Sales Comparison (where appropriate)

	Hi-Specs Facility	Ramp-up warehouses
Capitalisation Rate:	5.30%	5.50%
Terminal Capitalisation Rate:	5.50%	5.75%
Discount Rate:	6.90%	7.00%

Valuation as at 30 June 2024:

subject to existing tenancies, assuming free from encumbrances, and land premium for further term yet to be paid by head lessee:

Market Value: **S$859,700,000**
(approximately $3,403psm or $316psf over GFA)

Valuation Certificate

Property Address	**20 & 20A Tuas South Avenue 14, LOGOS Tuas Logistics Hub, Singapore 637312/11**
Client	ESR-LOGOS Funds Management (S) Limited as its capacity as Manager of ALOG Trust and Manager of ESR-LOGOS REIT and DBS Bank Ltd. as Security Agent (for the benefit of itself and all the Lenders)
Purpose of Valuation	Proposed Acquisition & Financing
Legal Description	Lot 4799A Mukim 7
Tenure	Leasehold 30+30 years commencing from 22 June 2008 (we are instructed to value based on balance un-expired interest of about 44.0 years)
Registered Lessee	Tuas South Avenue Pte. Ltd.
Brief Description	The subject property is bounded by Tuas South Avenue 14, Tuas South Avenue 5 and Tuas South Way, off Tuas South Boulevard, some 36 km from the City Centre. The property comprises an existing hi-specifications purpose-built solar panel manufacturing plant ("Hi-Specs Buildings") completed in 2009 (also known as 20 Tuas South Avenue 14) and two blocks of ramp-up warehouse developments completed in 2022 over two phases (also known as 20A Tuas South Avenue 14). The former comprises three main buildings, namely the "wafer building" which is a 3-storey high clearance warehouse/ industrial building; the "cell building" which is an ISO Class 8 certified cleanroom; and the "module building" which is a 3-storey industrial/warehouse facility with ISO Class 8 certified clean rooms. There are also several ancillary blocks behind these main buildings that provide infrastructural support to the solar panel manufacturing process. The latter comprises a 4-storey ramp-up warehouse block (under Phase 1) which was completed around Q3 2022 with the latest Temporary Occupation Permits (TOP) issued on 1 July 2022 and an adjoining 2-storey ramp-up warehouse block (under Phase 2) which was completed in Q4 2022 with the latest TOP issued on 16 December 2022. The subject property appeared to be in good condition as at the date of our inspection.
Site Area	252,733.0 sm or thereabouts, subject to government's re-survey
Gross Floor Area (GFA)*	251,289 sm, as provided and subject to final survey
Lettable Floor Area (LFA)*	Hi-Specs Buildings: 150,250 sm; Phase 1 Warehouse: 73,998 sm**; Phase 2 Warehouse: 22,815 sm; Total: 247,063 sm **As provided and subject to final survey* ***Includes a canteen of 321 sm*
Tenancy Brief	As advised, the Hi-Specs Buildings and an additional LFA of 1,562.0 sm from Phase 1 Warehouse are currently leased to REC Solar Pte. Ltd. (REC) as master tenant for the period from 1 December 2021 to 21 June 2038 (i.e. the last day of the first 30-year lease from JTC) with an option for a further 20-year term*. The current passing rent is $35,338,963 per annum subject to annual rental escalations ranging from 1.15% to 1.16%. Based on the tenancy information provided by the Client, Phases 1 & 2 Warehouses (excluding the 1,562 sm leased to REC) are multi-tenanted. It is 99.3% let. *Note*: As per the Supplemental Lease between Tuas South Avenue Pte. Ltd. and REC*
Annual Value	The property is currently assessed by the Inland Revenue Authority of Singapore (IRAS) at respective annual values of $52,129,000 and $13,773,700 for the Hi-Specs Buildings and Warehouses.
Master Plan (2019)	"Business 2" with gross plot ratio of 1.0
Permitted Use	For manufacturing (and ancillary activities including but not limited to research and development, administration and storage) of various solar industry related products including but not limited to wafers, cells and modules only
Land Premium	We understand that upfront land premium was paid for the balance term of the initial 30-year lease. By capitalisation method, we have estimated the present value of land premium for the second 30-year lease term to be approximately $31,000,000.
Basis of Valuation	We are instructed to value the property subject to existing leases and considering the land premium to be paid at the start of the second 30-year lease term.
Valuation Approach	Income Capitalisation Method and Discounted Cash Flow Analysis
Capitalisation Rate	5.25% (Hi-Specs Buildings) & 5.50% (Phases 1 & 2 Warehouses)
Terminal Capitalisation Rate	5.50% (Hi-Specs Buildings) & 5.75% (Phases 1 & 2 Warehouses)
Discount Rate	7.00%
Initial Yield	5.89%

Valuation Certificate

WALE Period	5.8 years for Phases 1 & 2 Warehouses
Compounded Rental Growth	2.92% p.a. for Phases 1 & 2 Warehouses
Consumer Price Index	2.75%
Material Date of Valuation	30 June 2024
Recommended Market Value	(see table below)

Building Description	Hi-Specs Buildings	Phases 1 & 2 Warehouses	Total
Market Value (Before accounting for PV of estimated land premium for second 30-year lease term)	**$602,200,000**	**$287,800,000**	**$890,000,000** $3,602 psm/LFA $3,523 psm/GFA
Less: Present Value of estimated land premium	($18,500,000)	($12,500,000)	($31,000,000)
Market Value (After accounting for Present Value of estimated land premium for second 30-year lease term)	**$583,700,000**	**$275,300,000**	**$859,000,000** $3,477 psm/LFA $3,400 psm/GFA

Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and the limiting conditions herein.
Prepared by	**Cynthia Ng** **Licensed Appraiser No. AD041-2003388A** **Daniel Ee** **Licensed Appraiser No. AD041-2004607E** **Savills Valuation And Professional Services (S) Pte Ltd**

This valuation does not take into account any income support provided and is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this valuation certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards: The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.

Valuation Basis: The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.

The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.

Currency of Valuation: Values are reported in Singapore currency unless otherwise stated.

Confidentiality: Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.

Copyright: Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.

Limitation of Liability: The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.

Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).

Validity Period: This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.

Titles: A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuatio shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.

Planning Information: Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.

Other Statutory Regulations: Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.

Site Condition: We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon

Condition of Property: While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.

Source of Information: Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.

Floor Areas: We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.

Plans: Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.

Tenant: No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.

Reinstatement Cost: Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.

Attendance in Court: Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

INDEPENDENT MARKET RESEARCH REPORT

JLL SEE A BRIGHTER WAY

Research Report

JLL Morii Valuation & Advisory K.K.

Japan Industrial Market Research

Prepared for ESR-LOGOS Funds Management (S) Limited

25 July 2024

Contents

Terminology

- This report is provided based on the market analysis as of 24Q1 (the end of March 2024).
- Forecasted economic data from Oxford Economics is as of May 2024.
- Measurement: 1 tsubo is equivalent to 3.3058 sq m
- Rent in this report is based on month, tsubo and CAM charges inclusive.
- The covered areas in this report are as follows:

Greater Nagoya	Aichi, Mie, and Gifu Prefectures

- This report including data and provided information focuses on modern logistics facility. The modern logistics facility refers the properties indicated in the table below.

JLL Definition of Modern Logistics Facilities	
Floor Area	30,000 sq m or larger (Greater Nagoya)
Completion	Year 2000 or later
Property Type	Logistics Facilities for lease

Executive Summary

【Macro Japanese Economy】

- The Japanese economy has gradually recovered despite challenges from slow global economic revival, a weakened yen, and increased import costs led to stagnation in personal consumption.
- The financial market saw a rapid depreciation of the Japanese yen against the US dollar. The Bank of Japan ended its negative interest rate policy but is maintaining monetary easing to prevent a decline in real wages.
- Overall, the Japanese economy is expected to continue its recovery, though challenges remain.

【Industrial Market】

- Key demand drivers include e-commerce growth, and 3PL providers. The COVID-19 disruptions, and supply chain risks, pushing companies to stockpile inventory and relocate to efficient warehouses.
- There are challenges such as labor shortages, rising costs, and outdated logistics facilities that do not meet the requirements of advanced technologies and operational efficiency.
- From April 2024, truck driver overtime restrictions may increase transportation costs, prompting companies to enhance working conditions, invest in technology.

【Industrial Market in the Greater Nagoya】

- The Greater Nagoya region in central Japan is a key transportation hub and known for its strong manufacturing industry, particularly the automotive sector. It is the third-largest economic region in Japan led by Greater Tokyo and Greater Osaka.
- Nagoya Port contributes to its economic strength is a key economic base in the region.
- The completion of several expressways has improved accessibility, making Nagoya a major logistics hub for long-distance transportation and enhanced efficiency in inter-regional distribution between Greater Tokyo and Greater Osaka.
- The Greater Nagoya has a relatively small market for modern logistics facilities, the large supply gives a significant impact on vacancy rates temporary, however, the strong demand supported by the expansion of the e-commerce is expected to continue.
- The demand from diversified industries is also anticipated, while automotive sector, aircraft, and robotics are major industries in the Greater Nagoya and Aichi Prefecture is actively attracting businesses in fields such as aerospace, environmental and new energy, advanced materials, nanotechnology, and biotechnology.
- Rental levels for new properties are higher due to increasing land prices and construction costs, leading to an overall rise in rents.

【Investment Market】

- While favorable Japanese financial conditions, investors' interest in the Japanese real estate market remains robust across various sectors, with logistics emerging as a particularly attractive sector due to its perceived stable income and the growth of e-commerce.
- Investors are particularly interested in modern logistics facilities in prime locations. However, the trend of increasing foreign investment and diversification into regional areas for the logistic facilities suggests continued growth leading to a rise in land prices.
- Cap rates for logistics facilities have compressed rapidly, narrowing the gap with office cap rates. Strong investor demand and limited opportunities in prime areas like Greater Tokyo have diversified interest into other regions, the Greater Osaka, the Greater Nagoya, and the Greater Fukuoka, further compressing cap rates.

1. Macro Economy

1-1. Japan Economic Overview

The Japanese economy continues to gradually recover, albeit with downward pressure from the slow pace of global economic revival. In 2023, Japanese economy experienced normalization of economic activities due to increased inbound demand and consumption recovery, despite factors such as rising resource prices caused by global high inflation, and weakening yen. While a high wage increase rate in 2023 was expected to drive consumption growth, many industries faced accelerated cost pass-through due to increased import costs. As a result, real wages remained in negative territory compared to the previous year, leading to stagnation in personal consumption. Additionally, as economic activities normalized, labor shortages once again became a significant management risk. Corporate earnings have remained at a high level. Although capital investment has been on the rise, uncertainties about future economic conditions, along with rising costs of raw materials and labor, have made companies cautious. However, with strong corporate earnings, a recovery in capital investment is expected.

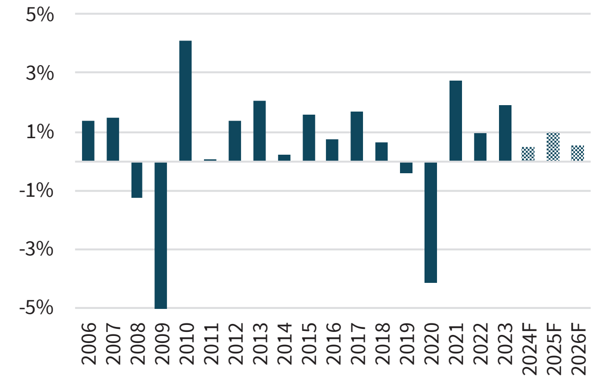
Amid rising US interest rates, the new governor of the Bank of Japan (BOJ), who took office in April 2023, implemented a flexible monetary policy and continued monetary easing, while gradually adjusting monetary policy. The BOJ ended its negative interest rate policy at its meeting in March 2024, however, BOJ is maintaining its monetary easing policy, leading to a significant depreciation of the yen due to the divergence in monetary policies between Japan and the United States (US). The BOJ continues with monetary easing to prevent a decline in real wages caused by inflation, while simultaneously avoiding the exacerbation of an economic downturn. In medium- to long-term, it is expected that inflation and wage growth rates increase, the likelihood of achieving the 2% inflation target for price stability gradually increases. According to Oxford Economics, the recovery in real incomes and consumption is confirmed in the summer 2024, the BoJ will likely raise its policy rate.

GDP & CPI

The real GDP growth rate in Japan experienced a significant decline in 2020 due to the impact of the COVID-19. However, there was a rebound in 2021, 2022 and 2023, with a growth rate of 2.8%, 0.9%, and 1.9% respectively. It is expected that Japan's economy will remain stable over the next few years. According to Oxford Economics, real GDP is projected to experience moderate growth at 0.5%, 0.9%, and 0.5% in 2024, 2025, and 2026, respectively.

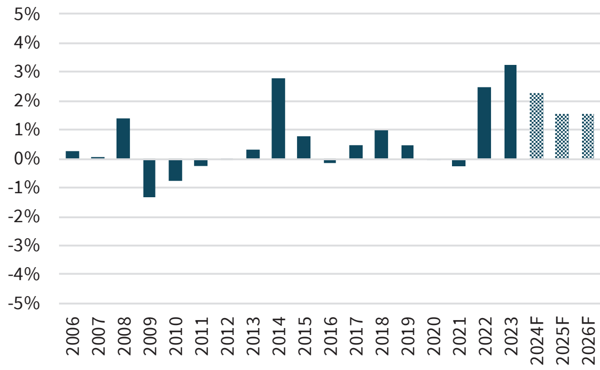
Regarding the Consumer Price Index (CPI), Japan have experienced a high inflation rate of 3.3% in 2023. This is attributed to the global rebound from the COVID-19 pandemic, rising raw material and resource prices, and a weakened yen. It is mainly due to cost push factors. According to the Oxford Economics, the annual growth rate of CPI is expected to continue in the following years, albeit at a slower rate of 2.2%, 1.5%, and 1.6% in 2024, 2025 and 2026, respectively. The BOJ is maintaining its current monetary policy to achieve the sustainable and stable 2% target. It is important that the virtuous cycle between wages and prices needs to keep operating in a self-sustaining manner.

Real GDP Growth



Source: Oxford Economics

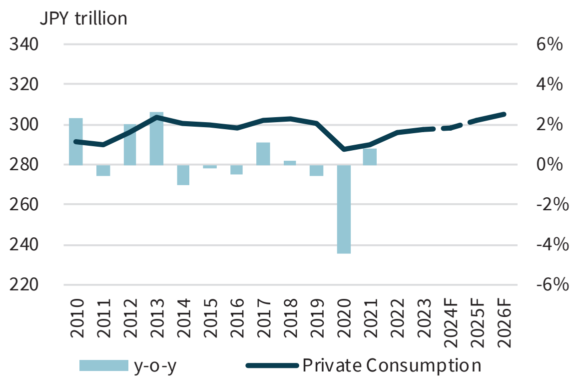
CPI



Source: Oxford Economics

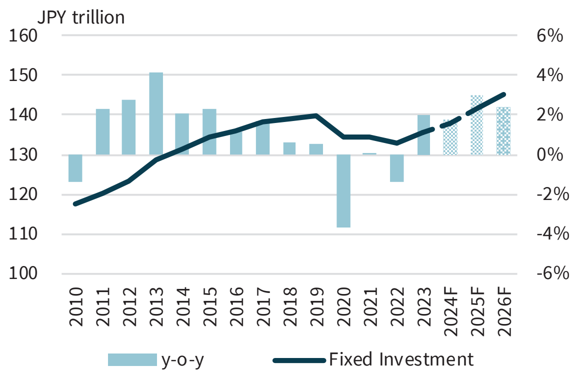
Business fixed investment and private consumption dropped in 2020 due to the impact of COVID-19. However, they have been boosted by the overseas economic recovery, while the performance of Japanese manufactures showed recovery driven by export industries. In 2022, while non-manufactures showed recovery as the government lifted the state of emergency declaration, the business mood of manufactures soured, as they were hit by the shortage of supply due to the lockdown in China and the Ukraine war, and a surge in prices of raw materials. There are concerns about the future outlook of manufactures, who are being impacted by a slowdown in overseas economies and a steep rise in raw material costs.

GDP – Private Consumption



Source: Oxford Economics

GDP – Fixed Investment



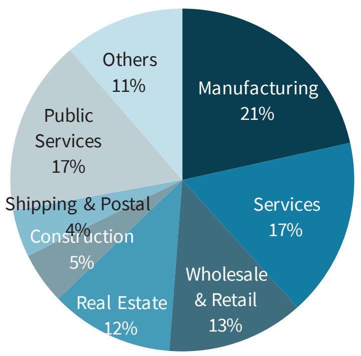
Source: Oxford Economics

Manufacturing Industry

The manufacturing industry plays a key role for the Japanese economy, taking up approximately 20% share in GDP. Among all, the automotive industry leads the sector.

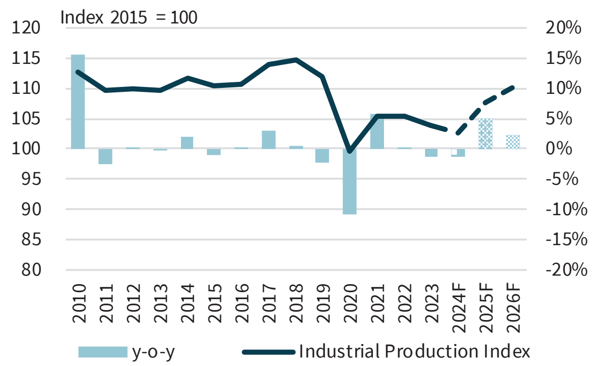
Industrial activities were weakened by the China – US trade war in 2019 and the COVID-19 pandemic further increased the impact. As a result, the Industrial Production Index sharply plummeted in 2020. The index improved in 2021 as the western economies recovered and drove external demand. According to Oxford Economics, the Industrial Production Index experienced almost flat growth in 2022 compared to 2021. However, due to a slowdown in exports and other factors, it is expected a decline of 1.4% for 2024. It is predicted that the economy will start to recover and enter an upward trend from 2025 onwards. The expansion of the manufacturing sector is still expected to boost the growth of the logistics market as the volume of raw materials and semi-products are being transported, as well as the demand for storage increases.

GDP – Industrial Breakdown



Source: Oxford Economics

Industrial Production Index

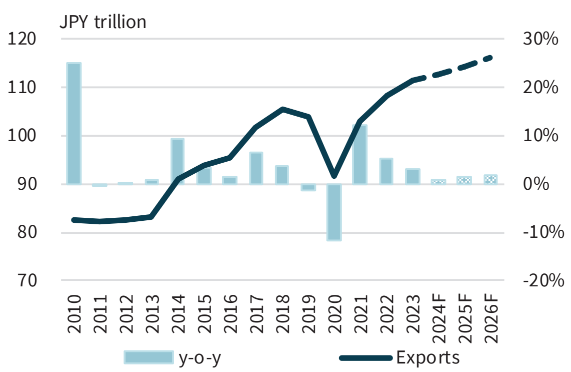


Source: Oxford Economics

Exports and Imports

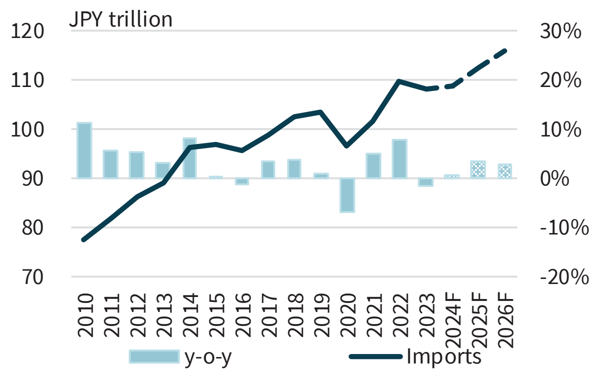
The trade deficit continued, despite an increase in the value of exports and the decrease in imports in 2023. This was due to the hike in energy prices and the weakening yen. In addition, there are possibilities of slowdown in global trading activity, putting pressure on the demand for capital goods and resulting in a slowdown in exports. Overall, the expansion of world trade and Japan's economic growth are significant factors contributing to increased import and export volumes, thereby driving the expansion of the logistics market.

Exports



Source: Oxford Economics

Imports

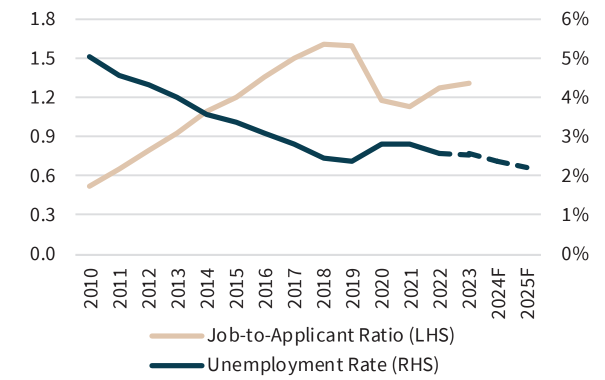


Source: Oxford Economics

Labor Market

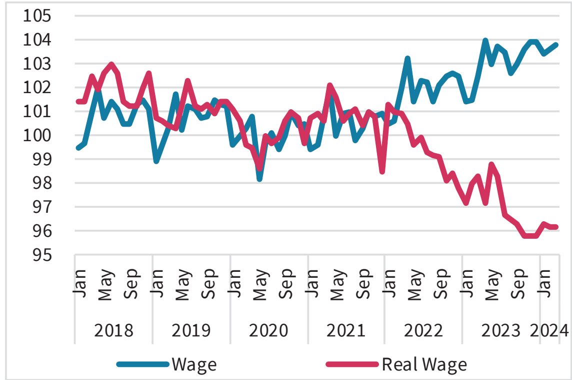
The unemployment rate, which was 2.4% before the pandemic, rose to 2.8% in 2020 and 2021 due to the impact of COVID-19. However, along with the economic recovery, the number of job openings has increased in 2022, especially in the service sector. It is predicted that the unemployment rate will fall below pre-pandemic levels in a few years, while chronic labor shortages are expected to persist. In the logistics industry, a shortage of truck drivers and warehouse workers is a significant challenge. The shortage of warehouse workers has also contributed to the demand for facilities that can accommodate automation and labor-saving equipment. The difference between wage and real wage is expanding because the inflation rate is rising faster than the rate of increase for real wages. The tight labor market is expected to lead to wage increases in the future.

Unemployment Rate



Source: Oxford Economics

Index (2020 =100): Wage and Real Wage

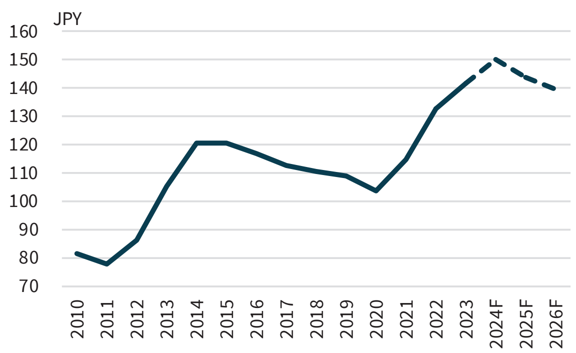


Source: Ministry of Health, Labour and Welfare

1-2. Financial Market

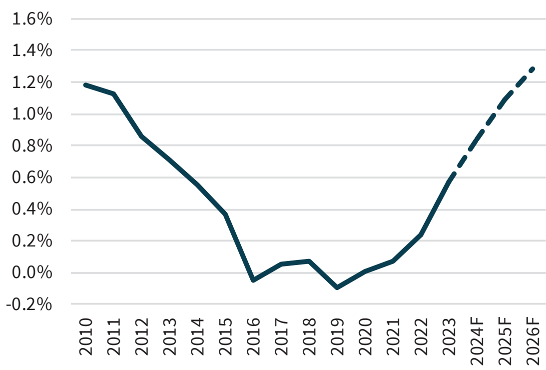
The rapid depreciation of the Japanese yen (JPY) against the US dollar (USD) from 2022 through the first quarter of 2024 can primarily be attributed to the U.S. Federal Reserve Board's decision to raise its policy rate. While the Japanese economy is still gradually recovering, there is a risk of a recession caused by a decline in real wages due to inflation. To mitigate this risk, in the meeting in October 2023, the BOJ has decided to tweak the yield curve control (YCC) policy by setting the upper bound of 1% as a reference and by making its Japanese Government Bond (10-year JGB) purchase operations more flexible, not rigidly defending the bound. The 10-year JGB yield has trended upward, hitting 0.9%. The BOJ ended its negative interest rate policy at its meeting in March 2024, however, the BOJ is maintaining its monetary easing policy, leading to a significant depreciation of the yen due to the divergence in monetary policies between Japan and the United States (US). As of May 2024, Oxford Economics predicts that long-term interest rates will increase to 0.84%, 1.09%, and 1.29% in 2024, 2025, and 2026, respectively. Regarding the exchange rate, the yen is expected to weaken until 2024 before appreciating thereafter.

Exchange Rate (JPY per USD)



Source: Oxford Economics

10-Year Government Bond Yield

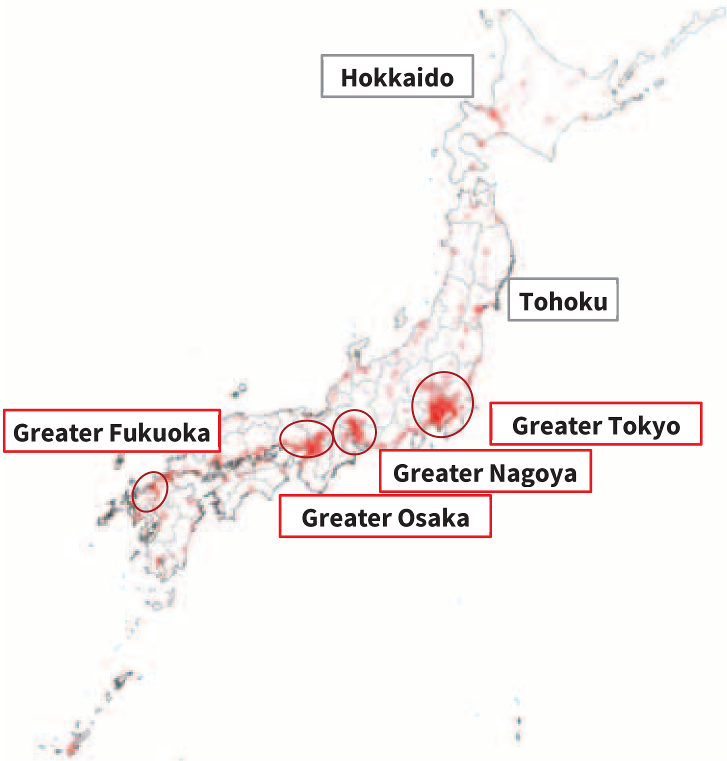


Source: Oxford Economics

2. Industrial Market Environment

2-1. Introduction of Modern Logistics Facilities

The map shows the major industrial markets in Japan.



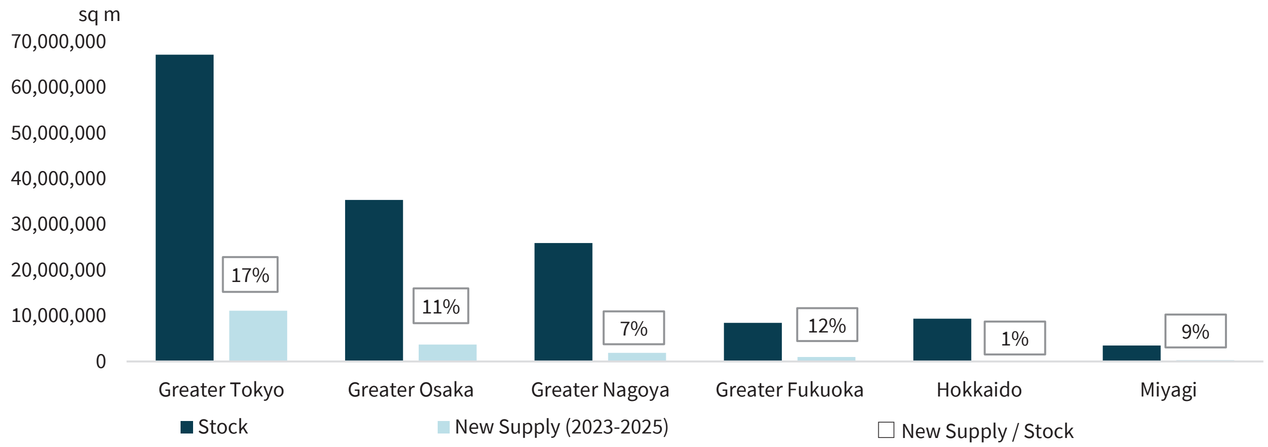
Population by Region

Region	Population (million)	% of Japan
Japan	**125.5**	**100%**
Greater Tokyo	**39.7**	**31.6%**
Tokyo	14.0	11.2%
Kanagawa	9.2	7.4%
Chiba	6.3	5.0%
Saitama	7.3	5.8%
Ibaraki	2.9	2.3%
Greater Osaka	**19.5**	**15.6%**
Osaka	8.8	7.0%
Hyogo	5.4	4.3%
Kyoto	2.6	2.0%
Shiga	1.4	1.1%
Nara	1.3	1.0%
Greater Nagoya	**11.2**	**9.0%**
Aichi	7.5	6.0%
Mie	1.8	1.4%
Gifu	2.0	1.6%
Greater Fukuoka	**5.9**	**4.7%**
Fukuoka	5.1	4.1%
Saga	0.8	0.6%
Hokkaido	5.2	4.1%
Tohoku (Miyagi)	2.3	1.8%
Others	41.6	33.2%

Population Concentration Area: This refers to an area within the boundaries of cities, towns, and villages where basic unit districts with a population density of 4,000 or more people per 1 ㎢ are adjacent to each other, and the combined population of these adjacent areas is 5,000 or more people at the time of the census.
Source: Census 2020

The logistics stocks are mostly located in the Greater Tokyo, Greater Osaka, and Greater Nagoya.

Logistics Stock and New Supply by Region



Source: Ministry of Economy, Trade and Industry

Modern Logistics Facility

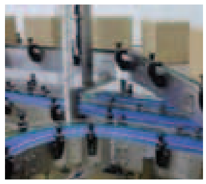
Prior to the introduction of modern logistics facilities in early 2000s, traditional warehouses were the only choice of venue for storage and distribution in Japan. They were mostly owner-occupied and leasing opportunities were scarce.

Nowadays, sophisticated tenants are increasingly attracted to modern logistic facilities over conventional facilities, as modern logistics facilities offer a variety of advantages, including: (i) leasing opportunities, (ii) multi-purpose uses of facilities with high specifications, (iii) adequate seismic standards in construction for business continuity plans, and (iv) inclusion of amenities and good working environments.

Conventional and modern logistics facilities are generally characterised as follows.

	Conventional Facilities	Modern Logistics Facilities
Facility Type	Solely owner-occupied	Multi-, Single-tenant, Build-to-Suit (BTS)
	Small-to-medium size (typically 10,000 sq m or smaller, depending on business size)	Large-scale (users can select customised space)
Term	Long-term possession	Fixed-term lease (typical range of 3-10 years)

The key characteristics of modern logistics facilities are summarised in the table below.

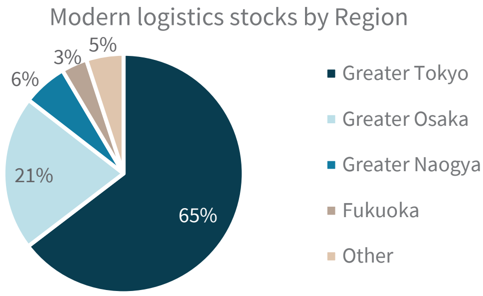
			
Building Structure	**Operational Space**	**Amenities**	**Others**
・ Adjustable layout ・ Installation of a ramp way with truck berths on upper floors ・ Able to secure adequate car width space and can also take in shipping containers and large-scale trucks ・ Seismic isolation	・ Ceiling height of more than 5.5 metres and floor load of 1.5 ton per sq m for forklifts ・ 10m+ column span for layout flexibility ・ High floors with dock leveller for efficient loading/ unloading ・ Lighting and air conditioning suitable for work	・ Office workspace is available for tenants ・ Cafeteria and convenience stores for workers ・ Adequate parking space, both for trucks and cars	・ Adequate electrical capacity for material handling and automation installation ・ Cold storage configurations ・ Solar panels

Stock of Modern Logistics Facilities

The total stock of modern logistics facilities accounts for only 15% of the total logistics supply in Japan. Modern logistics facilities are primarily located in major urban regions, with 65% in the Greater Tokyo and 21% in the Greater Osaka. The shares in the Greater Nagoya and Greater Fukuoka regions are much smaller. Additionally, the proportion of modern logistics facilities within the total logistics facility stocks in each region is very low. It is only 31% in the Greater Tokyo, 21% in the Greater Osaka, and less than 10% in other regions. There is potential for the future expansion of modern logistics facilities.

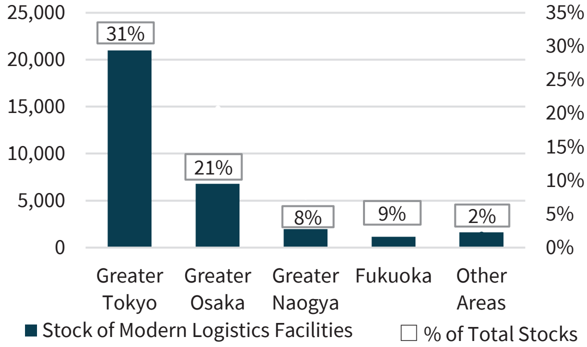
Share of Modern Logistics Facilities

Japan has a total of 15% of the Modern Logistics Facilities, of which 65% is in Tokyo.



Source: Corporation survey on land and buildings, JLL Estimation

Modern Logistics Facilities by Region

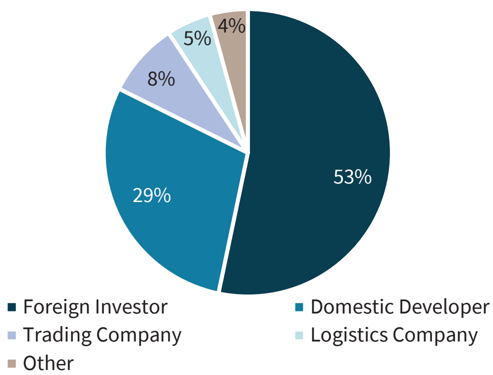


Source: Corporation survey on land and buildings, JLL Estimation

Developers and Tenants of Modern Logistics Facilities

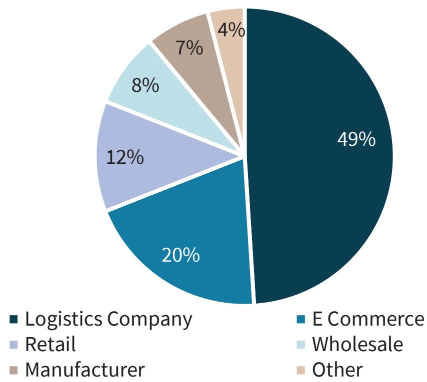
The following charts show the trends of major developers of modern logistics facilities and tenant types. More than 50% of total modern logistics facilities are developed by foreign investors, followed by domestic developers at around 30%. The main tenants of modern logistics facilities include logistics companies, E-commerce companies, retailers, and wholesale companies. Therefore, with the expansion of domestic consumption, active international trade, and steady growth of the manufacturing industry, there is an expected continuous increased in demand for modern logistics facilities.

Major Developers of Modern Logistics Facilities



Source: JLL

Tenants of Modern Logistics Facilities

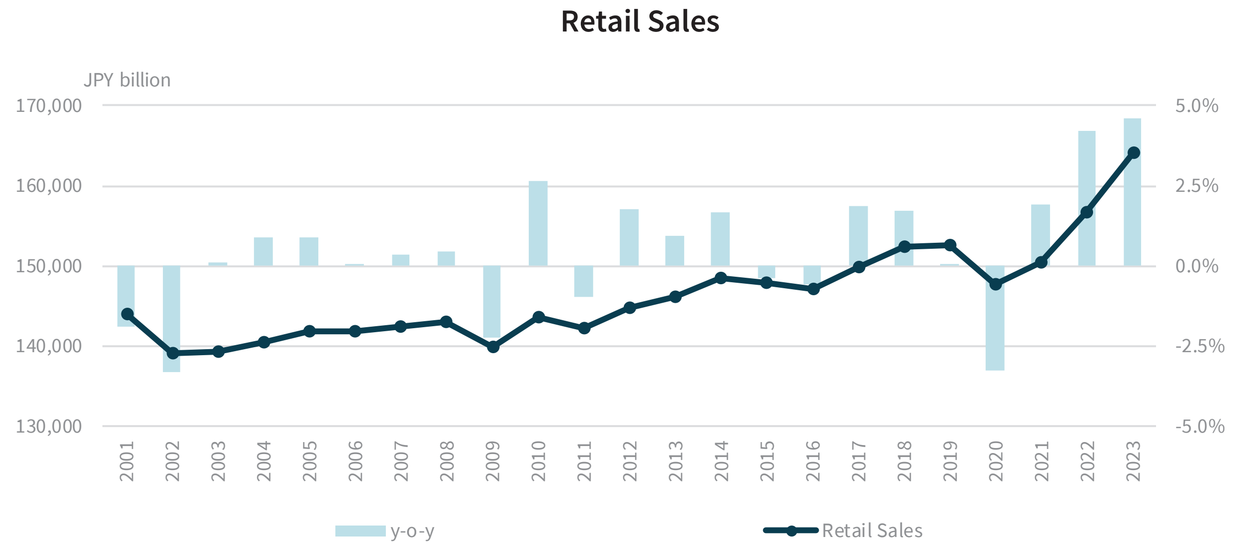


Source: JLL

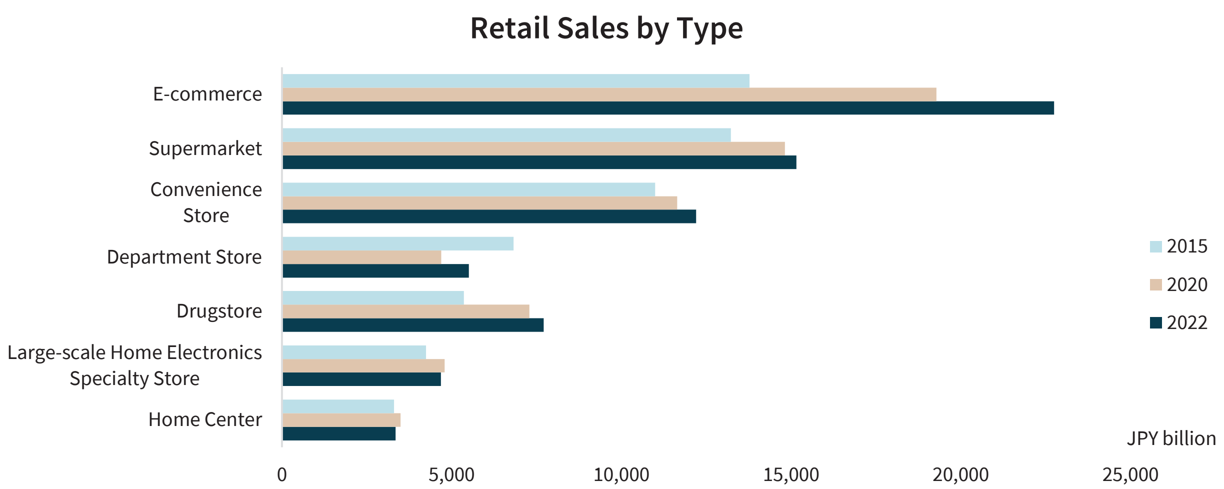
2-2. Fundamentals of Logistics Real Estate Market

In recent years, changes in consumption trends and corporations' repositioning towards their core businesses have been shifting the dynamics of the logistics industry, leading to its expansion. Many retailers have outsourced their logistics to third parties to focus on their main businesses, thus benefiting third-party logistics (3PL) providers. E-commerce retailers, in particular, have been strong contributors to the growth of 3PL providers.

Due to the impact of COVID-19, retail sales experienced a significant decline in 2020, with a year-on-year (y-o-y) decrease of 3.2%. However, as economic activity has gradually recovered, retail sales have been on the rise, recording a y-o-y growth of 4.2% and 4.6% in 2022, and 2023, respectively and surpassing the levels of 2019. The increase in sales of e-commerce and drug stores has been a driving force behind the continuous changes in the industry dynamics. These businesses, along with convenience stores, heavily rely on various logistics carriers, including in-house operations, 3PL companies, and wholesale companies. Consequently, the growth in these sectors is generating increased demand for modern logistics facilities.



Source: Ministry of Economy, Trade and Industry



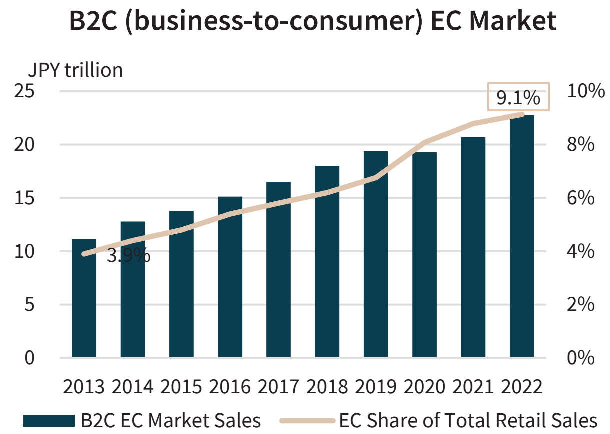
Source: Ministry of Economy, Trade and Industry

Additionally, the suspension of production activities in China in 2020 due to COVID-19, the shortage of semiconductors and other supplied parts in 2021, and the supply chain disruptions caused by China's lockdowns in 2022 have made corporations aware of the risk of supply chain disruptions. As a result, companies have started stockpiling inventory to mitigate potential disruptions, leading to a short-term spike in demand. This situation has prompted a review of supply chains, including considering the relocation of logistics facilities to more efficient warehouses. When selecting a new logistics hub, there is a high probability that tenants will choose modern logistics facilities that can be quickly secured with minimal initial investment. It is expected that this trend will result in increased demand for modern logistics facilities.

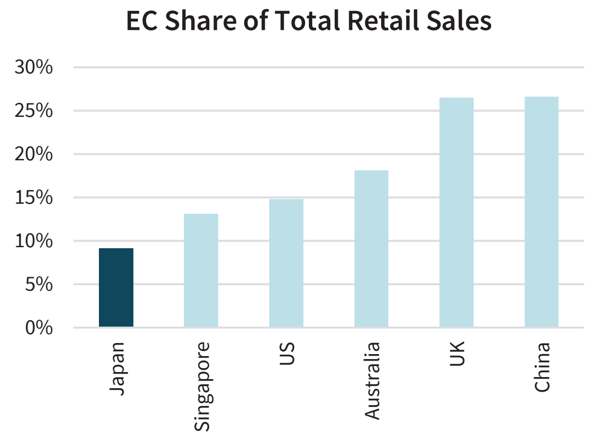
2-3. Key Drivers of Demand

E-commerce (“EC”)

E-commerce is a major driver in the logistics market. EC companies typically require large-scale logistics facilities to store and manage their vast inventories, enabling faster delivery of online orders from various locations across Japan. The Business to Consumers (B2C) EC industry has shown continuous growth, although there was a slight decline in B2C EC sales in 2020 due to reduced consumption in services, such as travel, caused by the COVID-19 pandemic. The pandemic has further accelerated digital transformation among businesses, and more retailers are strengthening their EC strategies. While the current EC market share in Japan remains relatively low, there was significant expansion in 2020 as consumers shifted from in-store to online shopping. This trend is expected to contribute to the increased penetration of EC in the market going forward. Comparatively, the EC rate in Japan is still lower than in other countries such as the US, UK, and China, indicating high growth potential. The continuous expansion of EC has been driving the demand for modern logistics facilities, particularly large-scale facilities, as EC companies expand their product sales and services. Therefore, the growth of the EC market is expected to lead to increased demand for modern logistics facilities.



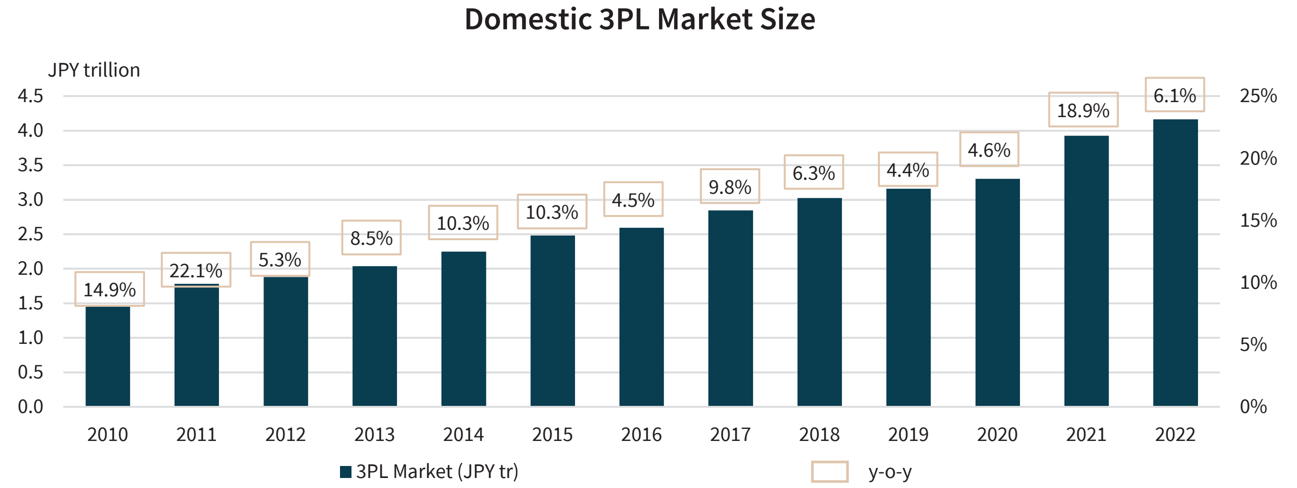
Source: Ministry of Economy, Trade and Industry



Source: Ministry of Economy, Trade and Industry (2022), Department of Statistics Singapore (2023), U.S. Census Bureau (2021), Australia Post (2023), Office for National Statistics (2022), National Bureau of Statistics of China (2020)

Third-party logistics (“3PL”)

As retailers and manufacturing firms face pressure to reduce costs and invest more capital in their core businesses, the outsourcing of logistical operations to 3PL companies has become increasingly popular. These companies often have stricter building specifications, including higher floor loads and taller ceiling heights, to accommodate various inventory types. The recovery of Business to Business (B2B) sector from the impact of COVID-19 and the ongoing growth of the EC market are driving the demand for logistics services from this customer segment. Furthermore, rising logistics costs, such as truck freight, labor costs, and fuel prices, are factored into transaction volumes. As a result, 3PL companies have experienced significant sales growth, with increase of 18.9% y-o-y, and 6.1% y-o-y in 2021 and 2022, respectively.

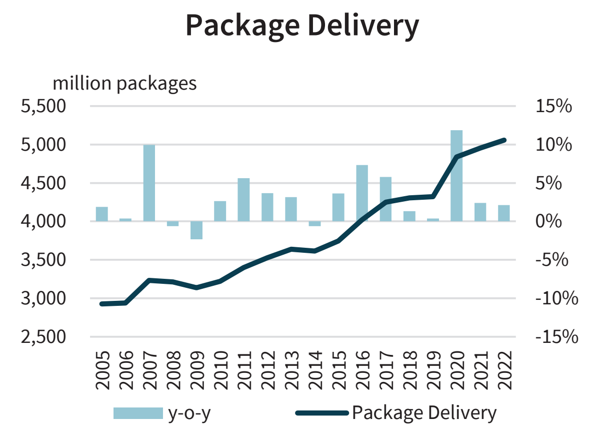


Source: Logistics Business (2010-2022), *Total sales of 3PL companies survey, 46 companies in 2022

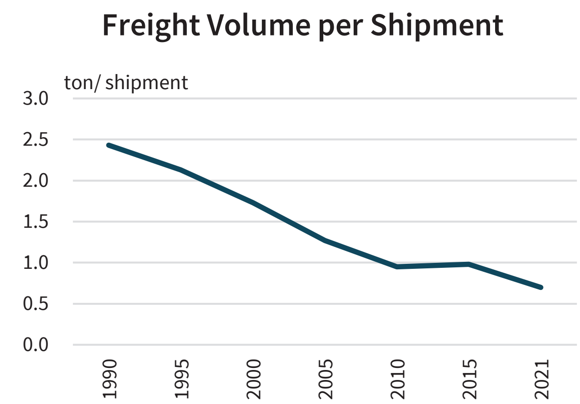
Rising Operational Costs in the Logistics Sector

Structural shifts in the retail industry, driven by the popularity of convenience and drugstores, as well as the expansion of EC, have resulted in an increase in the number of deliveries. The rising costs, particularly labor costs, can be attributed to several factors: (i) an aging workforce; (ii) increased work strain from more frequent deliveries and re-deliveries; and (iii) reduced competitiveness in attracting truck drivers from other sectors.

The demand for frequent deliveries and small lot shipments has been growing in response to increasing customer demands. Package delivery services have experienced significant expansion, with the number of packages increasing by approximately 40% over the past 10 years. This has led to a decrease in loading efficiency of trucks, as many trucks are dispatched for goods delivery despite being filled with low capacity. In order to enhance efficiency and streamline their operations, many freight delivery service providers have chosen large-scale logistics facilities instead of multiple smaller ones located in different areas. This trend has further increased the demand for large-scale logistics facilities.



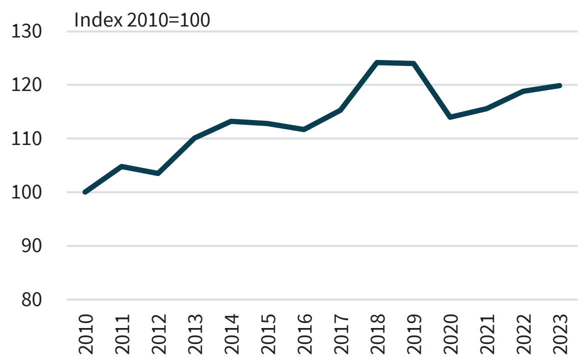
Source: Ministry of Economy, Trade and Industry



Source: Ministry of Economy, Trade and Industry

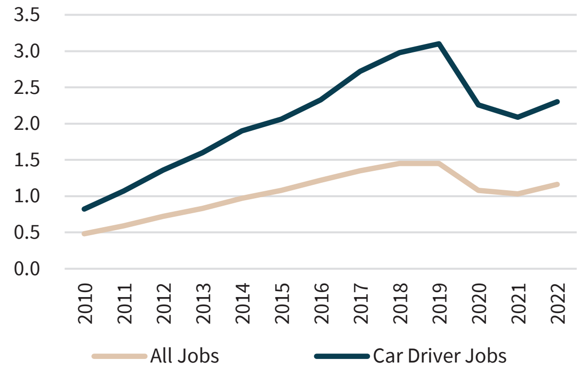
The rapid and significant growth in the e-commerce market has contributed to a heightened demand for truck drivers. As a result, there is currently a severe shortage of drivers, leading to an increase in truck freight rates. However, truck freight rates experienced a temporary decline in 2020 due to the contraction of demand for B2B transports caused by the impact of COVID-19. Subsequently, we observed an increase in freight rates as the economy started to recover. The job offer ratio also temporarily decreased in 2020 due to the effects of COVID-19. However, given the aging driver population and the continued expansion of e-commerce, it is expected that labor costs will rise in the future.

WebKIT Freight Rate Index (truck freight)



Source: Japan Trucking Association

Jobs-to-Applicants Ratio

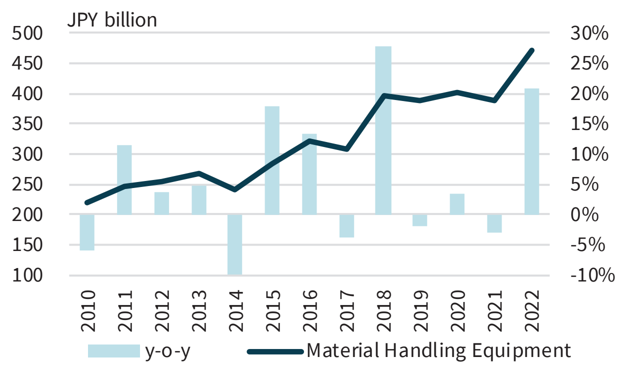


Source: Ministry of Health, Labor and Welfare

Material Handling Equipment

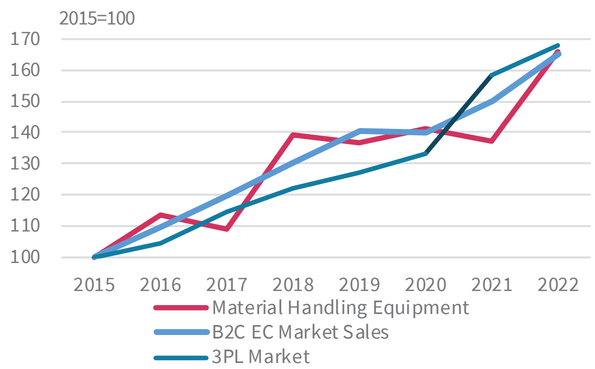
The logistics real estate market has experienced increased demand due to the expansion of EC market, and is expected to continue to grow. However, the rise in logistics operating costs has become a concern for many firms. To address this, companies are increasingly adopting more efficient operational strategies, including the use of automation and labor-saving equipment. Investment in material handling equipment has been growing alongside the expansion of EC and 3PL markets. This will enable the logistics industry to operate in a more efficient and innovative manner. Outdated logistics facilities often face challenges in fully utilizing material handling equipment due to limitations such as a shortage of electric power sources, insufficient ceiling height, and floor load capacity. Thus, there is further demand for modern logistics facilities that can accommodate advanced material handling equipment.

Domestic Shipment Value of Material Handling Equipment



Source: Japan Institute of Logistics Systems

Growth of Material Handling Equipment, B2C EC Market, and 3PL Market



Source: Japan Institute of Logistics Systems, Ministry of Economy, Trade and Industry

2-4. The restriction on number of overtime-working hours in 2024

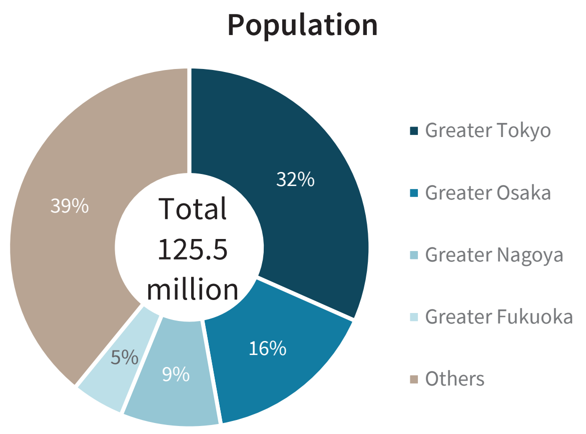
Starting from April 1st, 2024, truck drivers in Japan are now subject to a yearly limit of 960 hours on the maximum number of overtime working hours. Additionally, truck drivers are required to take specific rest periods during their driving hours, with a maximum continuous driving time of 4 hours. While these regulations are expected to improve the working conditions for drivers who often face long hours, they may also impose significant restrictions on the supply of truck transportation, leading to increased transportation costs and potential disruptions in the logistics industry. This could impact logistics real estate as well. To address these issues, companies will need to find solutions to improve working conditions and invest in technology to increase efficiency. They are seeking automation and robotization of warehouse operations, as well as implementing reservation systems, to reduce non-driving time and optimize operations. Furthermore, there is a possibility that logistics facilities may be located in areas that can be reached within approximately 3 hours from the delivery destinations, as companies seek to establish their bases in such locations. Older logistics facilities may not meet the requirements of tenants seeking high-frequency deliveries or distribution processing. The demand for modern logistics facilities with larger single-floor areas that can provide sufficient power supply and accommodate automation, robotization, and other advanced technologies is expected to continue. Furthermore, there may be increased development of logistics facilities in regional areas to ensure proximity to end consumers, which could be a more common choice across Japan.

3. Regional Industrial Market

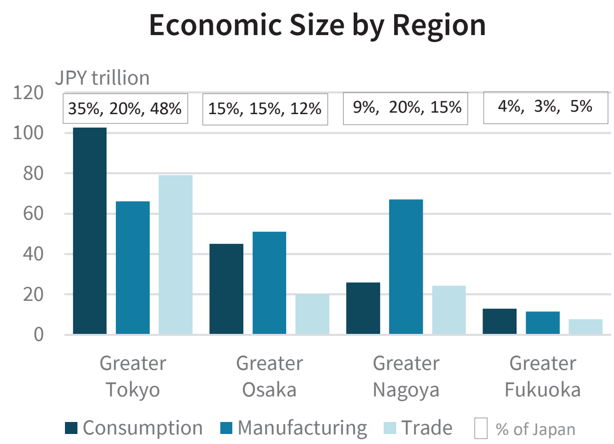
3-1. Macro Analysis

Overview of Regional Areas

Total population in the Greater Tokyo, the Greater Osaka, the Greater Nagoya and the Greater Fukuoka represent approximately 61% of Japan’s entire population. The same trend can be seen not only in population, but also in consumption, manufacturing and trade in those regions. The main tenants of modern logistics facilities include logistics companies, EC companies, retailers, and wholesale companies. Therefore, expansion of domestic consumption, active international trade and steady growth of the manufacturing industry are expected to increase demand for modern logistics facilities continuously.

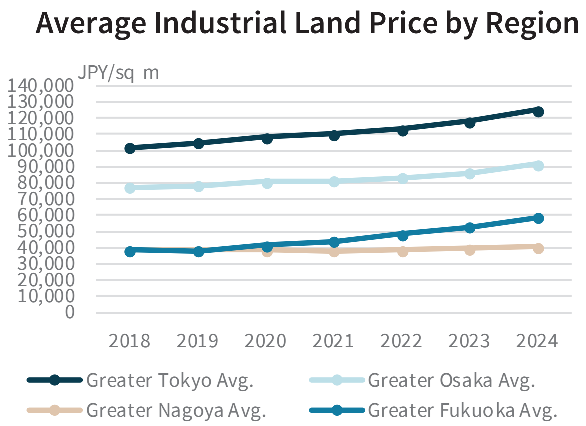


Source: Statistics Bureau of Japan

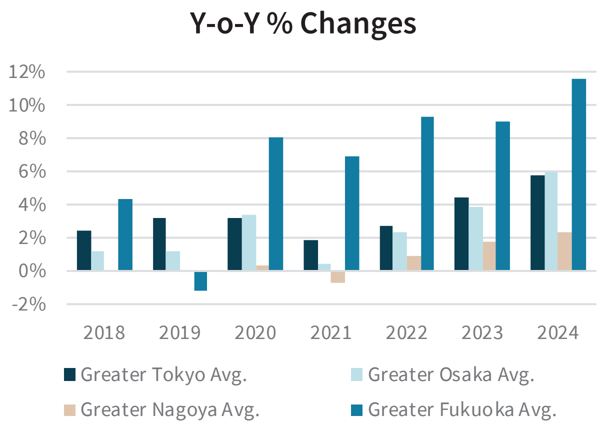


Source: Cabinet, Ministry of Economy, Japan Customs

The charts show the results of the official land price survey conducted annually by the Ministry of Land, Infrastructure, Transport for the Greater Tokyo, Greater Osaka, Greater Nagoya, and Greater Fukuoka regions. The data shows an upward trend in the prices of industrial land, which is suitable for the development of logistics facilities based on its zoning classification, across all regions.



Source: Ministry of Land, Infrastructure, Transport and Tourism



Source: Ministry of Land, Infrastructure, Transport and Tourism

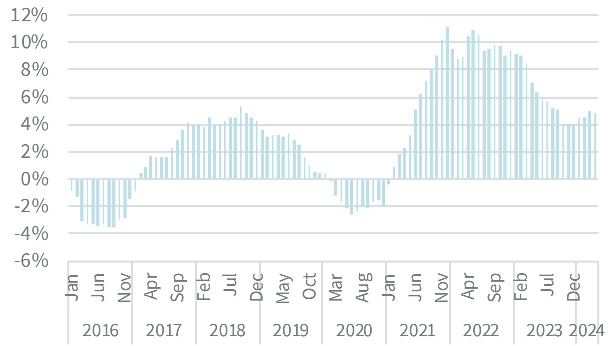
* The average industrial land prices in each region's prefectures, as stated in the terminology.

Looking at the index of warehouse construction costs, there has been an upward trend since 2021. Over the one year, warehouse construction costs have increased by 5%, over two years by 12%, and over three years by 24%. This increase can be mainly attributed to the rise in raw material and resource prices, particularly steel prices, as well as the weakening of the yen. In the year following the rise in construction costs, it is expected that the increased costs will be reflected in the rent increases of logistics facilities. The actual impact will vary based on the quality and location of the facilities. While the rising land prices and construction costs may have a negative effect on the profitability of developers, they may also lead to an increase in demand for rental logistics facilities as companies face difficulties in building their own warehouses. This potential shift in demand dynamics could have a positive impact on the rental market for logistics real estate.

Construction Index

Source: Construction Research Institute

Y-o-Y % Changes



Source: Construction Research Institute

3-2. Greater Nagoya and Sub-Markets

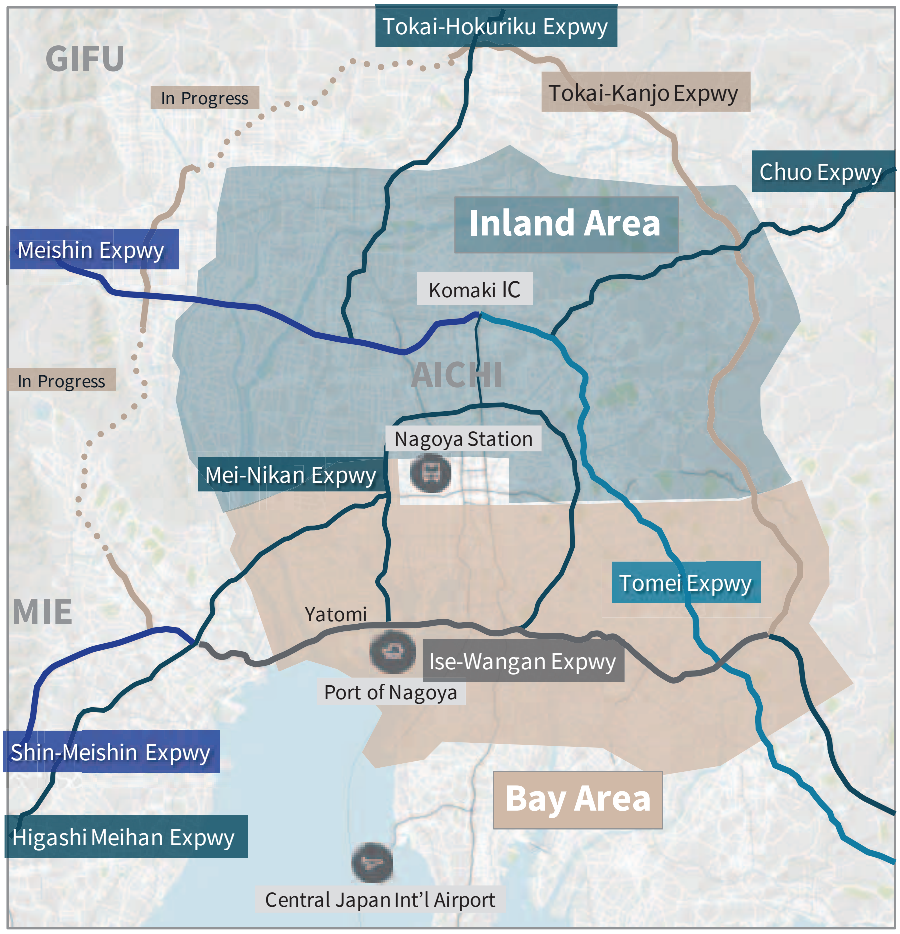
3-2-1. Greater Nagoya

The Greater Nagoya has a population of approximately 11 million people and is located in the central part of Japan. It serves as a key hub for both the movement of people and goods, connecting the Greater Tokyo, the Greater Osaka, and Hokuriku regions. It is known for its manufacturing industry, particularly the automotive industry centered around Toyota Motor Corporation. It accounts for about 30% of the national manufacturing shipment value. The area is home to diverse economic bases, including Nagoya Port, which holds the top position in trade balance for 22 consecutive years. It is the third-largest economic region after the Greater Tokyo and the Greater Osaka regions.

The completion and full opening of the Mei-Nikan Expressway in 2021 has improved access between the central area of Nagoya and Nagoya Port and the Ise Bay Area. The ongoing development of the Tokai-Kanjo Expressway and the full opening of the Tokai-Hokuriku Expressway have also improved access to the Hokuriku region. The development of the Tokai-Kanjo Expressway and the new Shin-Meishin Expressway in the Kansai region is expected to further strengthen Nagoya's role as a major logistics hub for long-distance transportation.

The logistics market in the Greater Nagoya can be divided into two distinct sub-markets: the "Bay Area," where is around Nagoya Port and the Ise-Wangan Expressway, and the "Inland Area," which surrounds the "Komaki" interchange (IC).

Greater Nagoya Map



Supply and Demand

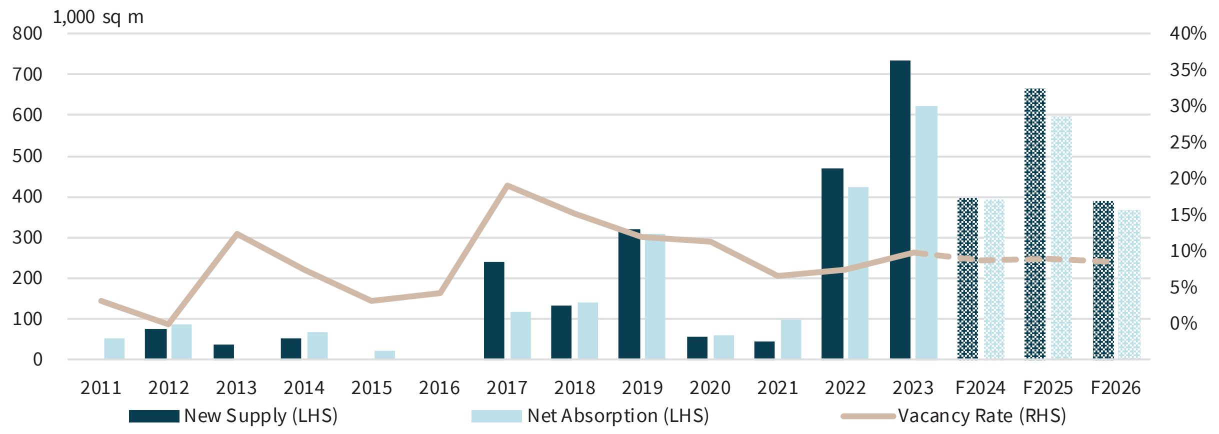
The Greater Nagoya plays an important role as a storage base for the manufacturing industry and a hub for long-distance distribution. Located between the two major metropolitan areas of the Greater Tokyo and the Greater Osaka, the Greater Nagoya is a storage base for companies in the manufacturing industry and handles container cargo from the Port of Nagoya. The Port of Nagoya, which has the highest cargo handling volume in Japan, handles a diverse range of goods including automotive components, electrical and industrial machinery, clothing, furniture, wooden products, and processed foods.

Aichi Prefecture is home to the headquarters and factories of major corporations, as well as a concentration of automotive industry and transportation equipment facilities. Aichi Prefecture is actively promoting the adoption of next-generation vehicles such as fuel cell cars. In addition, Japan's aerospace industry's major companies are located in Greater Nagoya. Aircraft and aircraft parts account for about 50% of the national market, and industrial robotics is also major industries in this region. A wide range of related industries is also concentrated in the region.

Additionally, Aichi Prefecture is actively attracting businesses in fields such as aerospace, environmental and new energy, advanced materials, nanotechnology, and biotechnology. This also creates the potential for increased demand for new logistics facilities in these industries.

The Greater Nagoya has a relatively small market for modern logistics facilities and is susceptible to the impact of new supply. Starting from 2023, there is an expected increase in new supply. With the opening of the Ise-Wangan Expressway and Shin-Meishin Expressway, the central area of Nagoya City has improved its overall accessibility. As a result, the demand for logistics facilities, primarily in the Inland Area, has expanded to the Bay Area, with multiple supply plans anticipated in the Yatomi area.

Greater Nagoya – New Supply, Net Absorption and Vacancy Rate

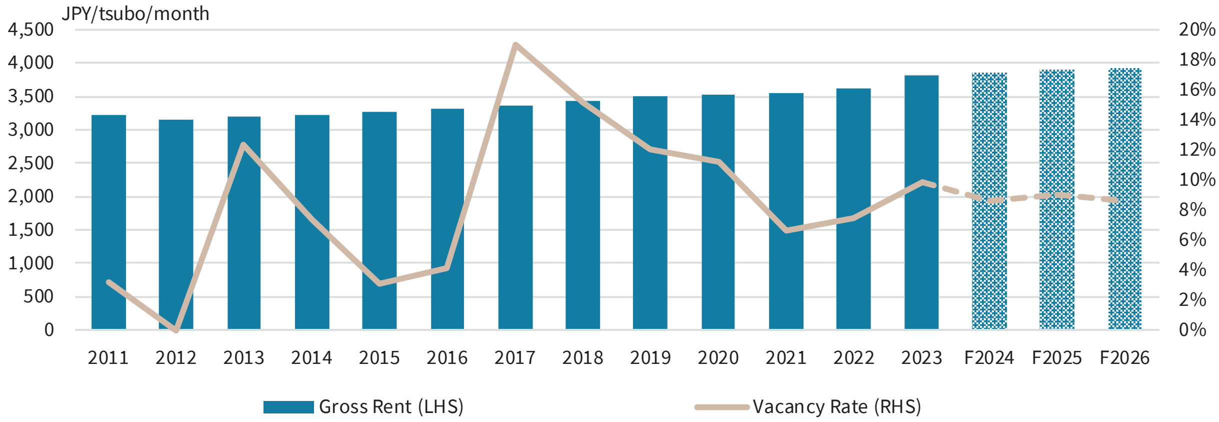


Source: JLL

Rent and Vacancy

Rental levels for new properties are higher than existing properties due to increasing land prices and construction costs, contributing to an overall increase in rents in the Greater Nagoya. Existing properties have low vacancy rates, however, in order to attract tenants, there is a tendency for longer rent-free periods. It is anticipated that rents in the entire Greater Nagoya will continue to rise.

Greater Nagoya – Rent and Vacancy Rate

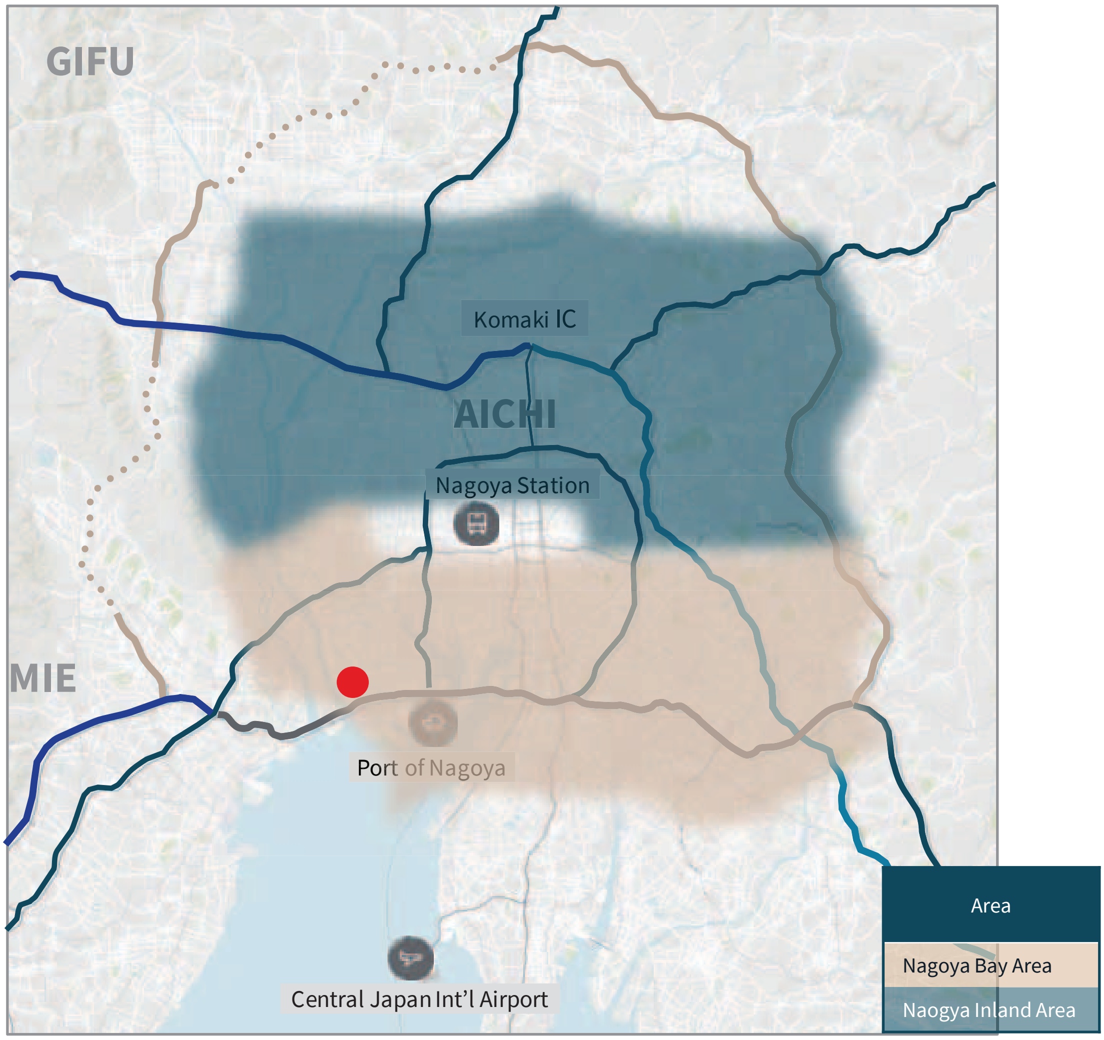


Source: JLL

3-2-2. Greater Nagoya Sub-Markets

There are two sub-markets in the Greater Nagoya: the Bay Area and Inland Area as shown below.

Greater Nagoya Sub-Markets Map



ESR-LOGOS REIT New Property

ESR Yatomi Kisosaki DC	Nagoya Bay Area
	• ESR Yatomi Kisosaki DC ("Kisosaki") is a 4- storey double ramp state-of-art logistics facility completed in April 2022. The property is located within 35 minutes driving from Nagoya CBD (25 km) and located along Mie / Aichi Prefectural Road No. 108.

Sub-Market Features and Trends

Sub-Markets	Features and Trends
Nagoya Bay	• The Nagoya Bay Area primarily encompasses the vicinity of Nagoya Port, including the Ise-Wangan Expressway and the surrounding areas of various highways. • While the Nagoya Bay Area has historically been home to port warehouses, there were relatively few logistics facilities compared to the areas around "Komaki" IC. However, with the full opening of the Ise-Wangan Expressway in 2005 and the completion of the Shin-Meishin Expressway in 2008, the routes of the Ise-Wangan Expressway and the Shin-Meishin have been utilized for inter-regional distribution between the Greater Tokyo and the Greater Osaka, leading to an increase in the stock of logistics facilities. • There is an expected increase in the supply of large-scale logistics facilities from 2022 onwards.
Inland Nagoya	• This logistics area is centered around the "Komaki" Interchange and is located near various highways. • It is a crucial hub within the highway network, connecting to the Greater Tokyo via the Tomei Expressway and Chuo Expressway, and to the Greater Osaka via the Meishin Expressway, among other key highways. The area offers convenient access to Nagoya City via the Nagoya Expressway and to wider-areas, such as Hokuriku area via the Tokai-Hokuriku Expressway and Tokai Ring Expressway. Due to its advantageous location for both wide-area and local deliveries, the vicinity of the "Komaki" IC has historically seen a concentration of logistics facilities. • Following the supply of modern logistics facilities in the area from 2007 to 2009, there was a temporary decrease in new supply. However, since 2017, there has been a resurgence in the supply of large-scale modern logistics facilities.

Following map shows the location of ESR-LOGOS REIT’s properties.

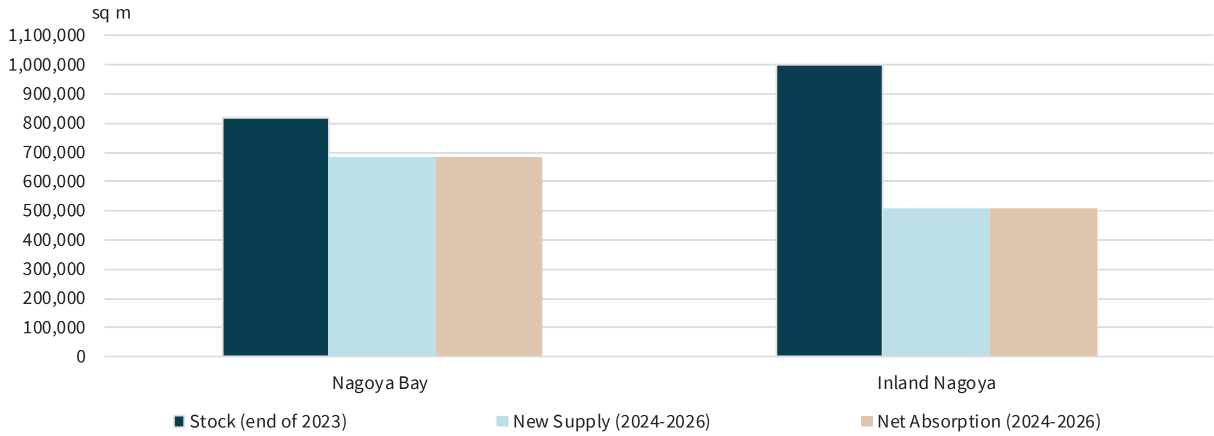
■ ESR Yatomi Kisosaki Distribution Centre in Nagoya Bay Area

■ ESR Sakura Distribution Centre in Greater Tokyo

Supply and Demand

The following chart shows the volumes of existing stock, new supply, and net absorption in each sub-market. Existing stocks in the Nagoya Inland Area is larger than that in the Nagoya Bay Area. However, the projected new supply in the Nagoya Bay Area is planned slightly larger than that in the Nagoya Inland Area.

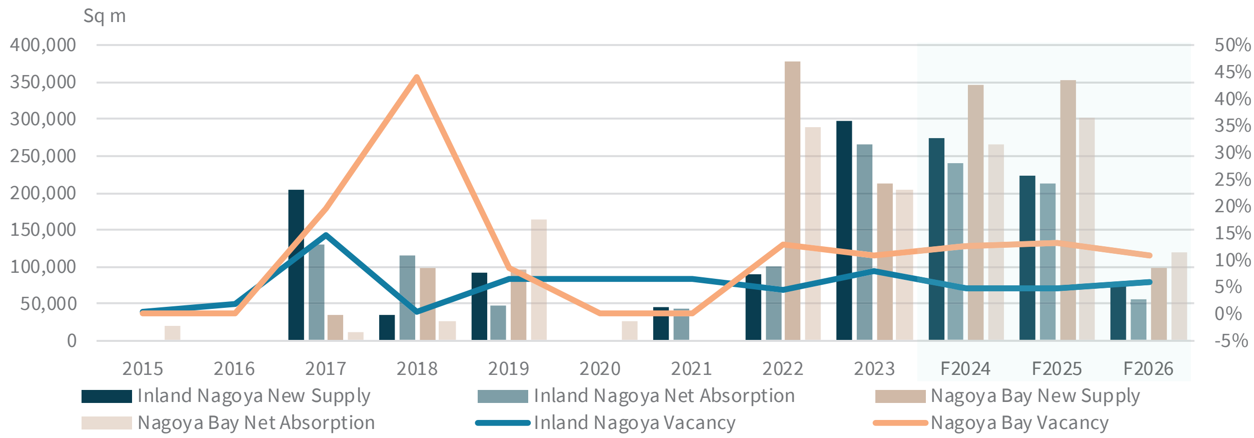
Greater Nagoya Sub-Markets – Stock, Net Absorption, and New Supply



Source: JLL

The following chart shows the supply and demand for the Inland Nagoya and Nagoya Bay areas on an annual basis. As the Greater Nagoya market relatively small compared to two major metropolitan areas, the Greater Tokyo and Greater Osaka. Thus, the impact on the vacancy rate is large when there is a large supply in the market. While a continuous large supply is expected in the coming years, particularly in the Nagoya Bay Area. However, it is projected that the vacancy rate will gradually decline in the future, as strong demand supported by the expansion of the e-commerce market is expected to continue.

Greater Nagoya Sub-Markets – New Supply, Net Absorption and Vacancy Rate



Source: JLL

Rent and Vacancy

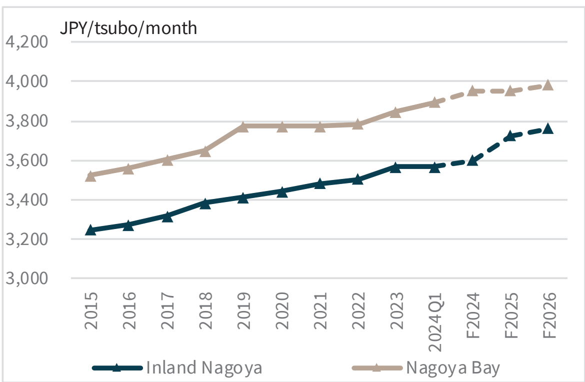
Following the rent and vacancy of modern logistics facilities in the Greater Nagoya and sub-markets as of 2024Q1.

Area / Sub-Markets	2024Q1				
	Rent	Change Q-o-Q	Change Y-o-Y	Vacancy	Change Q-o-Q (Points)
Greater Nagoya	JPY3,835/tsubo	0.5%	5.5%	14.8%	4.9
Nagoya Bay Area	JPY3,893/tsubo	1.2%	2.0%	27.0%	16.2
Nagoya Inland Area	JPY3,566/tsubo	0.0%	1.8%	4.9%	-3.1

* The rent and vacancy rate for the Greater Nagoya represent an average of the entire Greater Nagoya, Nagoya Bay Area and Nagoya Inland Area.

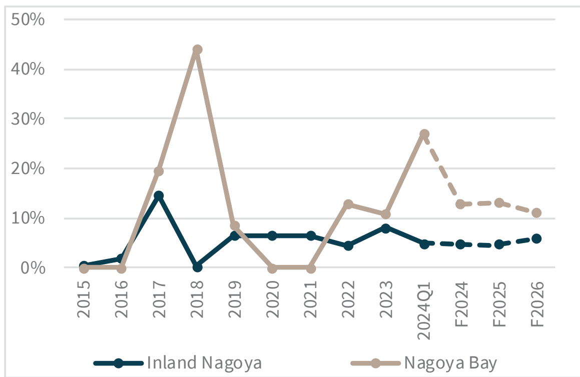
As well as two major metropolitan areas, the trend of the rent increase is expected to continue. The vacancy rates remain low, while it temporarily increased in the bay area in 2024Q1 because there was a large supply. However, the vacancy rate in the bay area is expected to decline by the end of 2024 with strong demand.

Rent: Nagoya Bay and Inland Nagoya



Source:: JLL

Vacancy: Nagoya Bay and Inland Nagoya



Source: JLL

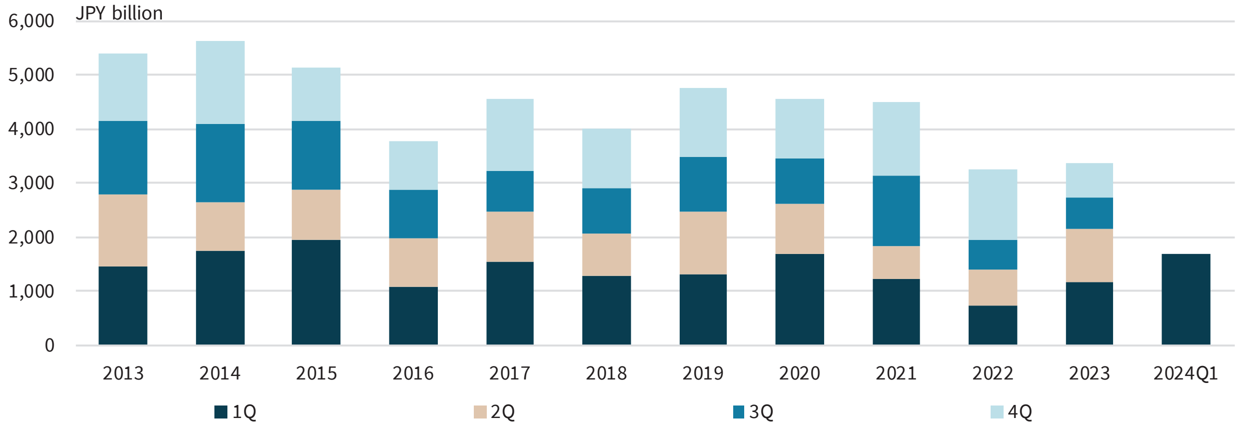
4. Investment Market

4-1. Investment Transactions

All Transaction in Japan

As low-interest-rate financial policies are expected to continue for a while, investor interest in Japanese real estate remains high. The investment market in Japan has been robust in recent years, with annual sales transaction volume exceeding JPY4 trillion for all asset types and expanding to JPY4.8 trillion in 2019. However, the overall transaction volume in 2022 saw a decline of 35% y-o-y, because there was a decline in the number of transactions by J-REITs due to the limited number of investment opportunities, despite strong investor demand. Nevertheless, there has been a recovery in the total transaction volume to increase by 3.6% y-o-y in 2023. The investors' interest in real estate continued in 2024Q1, resulting in a 45.1% increase in transaction volume compared to the period of 2023Q1.

All Transaction in Japan



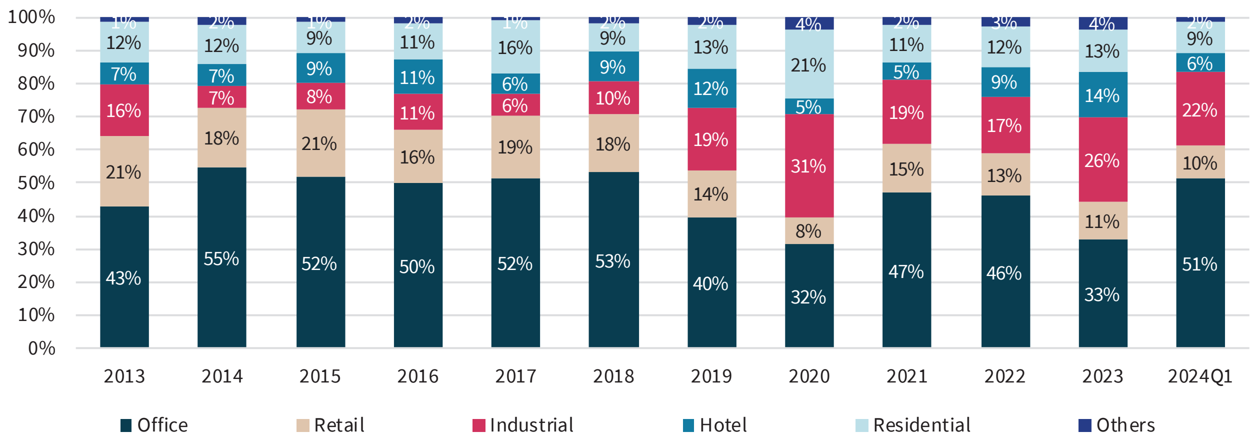
Source: JLL

All Transaction by Sector

In the Japanese real estate investment market, roughly half of the investment amount was traditionally allocated to the office sector. However, in 2020, the transaction amount for office properties plummeted due to the uncertainty surrounding the office sector caused by the impact of COVID-19. Investment funds increasingly flowed into logistics properties, which benefited from the growth of e-commerce during the pandemic, as well as residential properties, driven by increased demand resulting from the rise of remote work. This shift towards investments in the logistics and residential sectors became a prominent trend. The retail and hotel segments, which were heavily affected by COVID-19, experienced a significant decline in market share in 2020.

In 2021, there was an increase in the share of the office sector, driven by active selling of large-sized office properties by business entities that were hit by the pandemic and were looking to sell their headquarters. Furthermore, investment in the office market remained robust in 2022, contributing to an overall market uplift despite decreases in the industrial and residential sectors. However, the shares of investment amount in the office and retail markets declined, while the share of investment amount in the logistics sector increased once again with the liquidity of the logistics facility investment market increases in 2023. Additionally, hotel investments surged as inbound tourism began to recover in 2023. The office transaction in 2024Q1 has increased by 48% y-o-y, driven by large transactions witnessed in JREIT.

All Transaction by Sector



Source: JLL
*The bar chart in 2024Q1 represents the percentage of each sector's transaction volume in total during the period of 2024Q1.

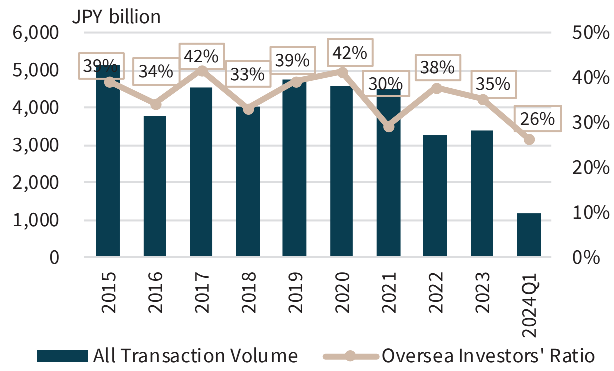
Cross-Border Investment

Cross-border real estate investment in Japan by foreign investors reached its highest level in 2020 since the global financial crisis in 2008. The share of cross-border investment as a proportion of the total transaction volume also grew to 34% in 2020. Although the share of total transaction volume made by foreign investors declined in 2021 and 2022 due to the limited available assets, the number of global investors coming to Japan has been increasing since the latter half of 2022. Moreover, the investment volume is recovering, supported by transactions involving multiple large-sized properties and portfolios in the first half of 2023, exceeding the results of the same period in the previous year.

It is uncommon for large-scale modern logistics facilities in Japan to be sold to external groups. The main sources of supply for logistics facilities, such as domestic developers and development funds, typically sell them to funds or J-REITs within their own groups. This has limited opportunities for investors without development pipelines to directly invest in logistics facilities. However, as the liquidity of the logistics facility investment market increases and the number of development projects rises, developers and development funds without an exit strategy within their groups can now venture into new developments.

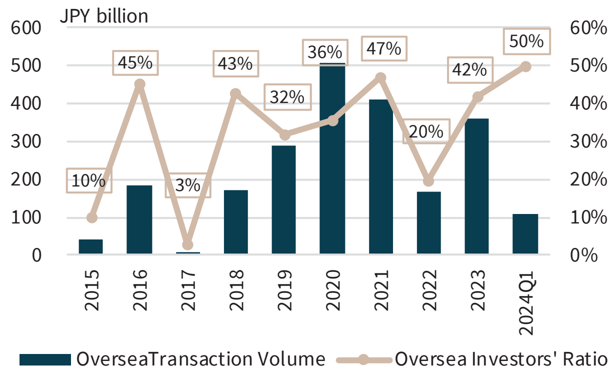
In December 2022, Gaw Capital acquired a logistics facility portfolio consisting of seven properties from the Blackstone Group for approximately JPY 80 billion. Additionally, in April 2023, Mapletree Logistics Trust acquired six properties from CBRE Investment Management for JPY 66 billion. In the same month, GIC, a Singapore government-owned investment company, acquired 6 properties from the Blackstone Group for approximately JPY 100 billion. These consecutive portfolio transactions involving large-scale modern logistics facilities among third parties indicate a growing trend in investment opportunities. As a result, the share of foreign investors in logistics facilities within the period of 2024Q1 reached a historical high at 50%.

Cross Border Transaction -All Sectors



Source: JLL

Cross Border Transaction - Industrial Sector



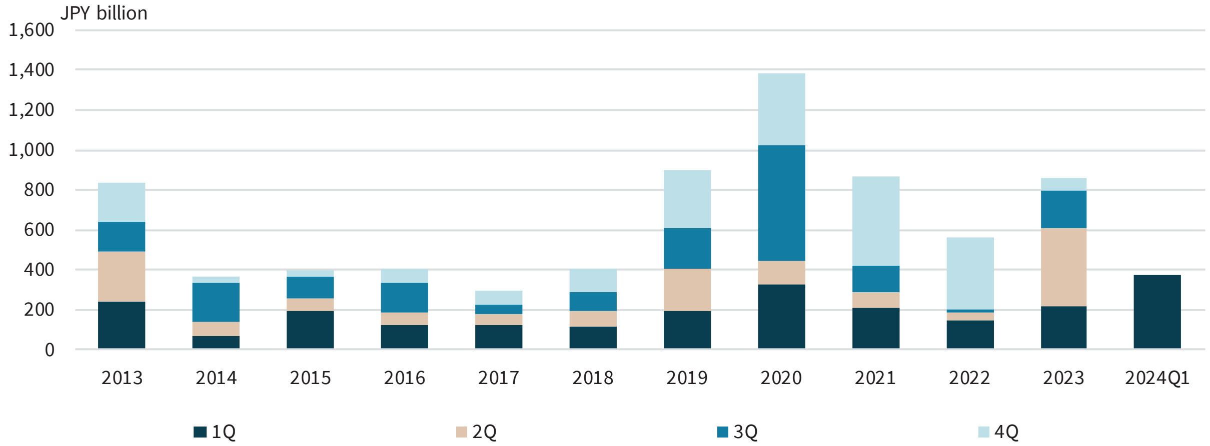
Source: JLL

Investment Transaction in the Industrial Sector

Many domestic and foreign investors have increased their investment in logistics facilities, and more developers have started development. This is because logistics assets are seen as offering longer-term stable income, driven by the growth of the e-commerce market. The demand from investors for logistics facilities continues to increase, and more long-term investors are expanding their investment strategies. There is strong and continuous interest from investors in modern logistics facilities with high specifications in prime locations. This boosted investment in logistics facilities and increased bidding activities among investors have resulted in a continued rise in land prices.

The annual transaction volume in the industrial sector increased by 58% y-o-y in 2020. The office sector was significantly impacted, and the retail and hotel sectors also suffered due to restrictions on shopping and travel. In contrast, the industrial sector was the least affected and even benefited from the growth of e-commerce as more customers turned to online shopping. The stability and profitability of industrial properties attracted many market players, resulting in a surge in industrial sales transactions. However, the transaction volume in the industrial sector decreased in 2021 and 2022 due to limited available properties in the market, despite high investor interest. In 2023, the transaction volume in the industrial sector experienced a rebound due to the increased liquidity of the logistics facility investment market.

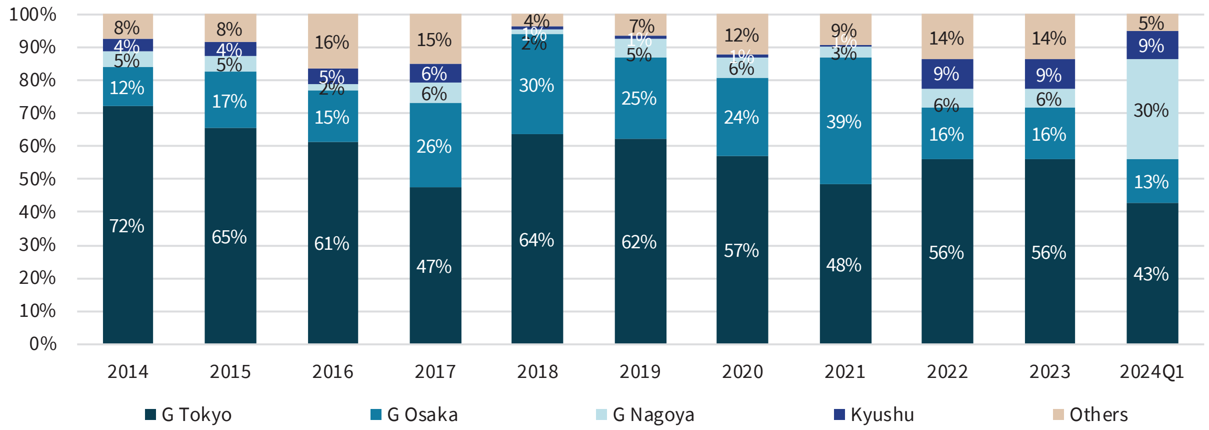
Industrial Transaction in Japan



Source: JLL

Looking at industrial transactions by region, there is strong investor interest in the Greater Tokyo area, which accounts for over half of the total industrial transactions. However, in recent years, the share of regional areas has been expanding compared to the previous year. For instance, in 2021, the share in the Greater Osaka area increased from 24% to 39%. In 2022, the share in the Greater Nagoya area increased from 3% to 11%. In 2023, the share in Kyushu, including Okinawa prefecture, increased from 1% to 7%. This growth in investment areas is driven by competitiveness. ESR Japan Income Fund (“JIF”) completed the acquisition of 100% of the trust beneficiary interest in ESR Aisai Distribution Centre (“ESR Aisai DC”), a four-storey single ramped facility located in Nagoya from ESR Japan Logistics Fund III (“RJLF 3”) for JPY 16.4 billion on 8 December 2023. In 2024Q1, the transaction volume in Greater Nagoya experienced large increase of the share at 30% of total industrial transactions. PAG has acquired a two-warehouse logistics centre near Japan’s port of Nagoya, “HUB YATOMI” from Hines for a reported transaction value between JPY 65 billion and JPY 66 billion. The larger logistics facilities, which Hines built after acquiring the site in November 2021, has more than 218,000 sq m of space across four floors, making it one of the largest industrial facility transactions in Japan.

Industrial Transaction by Region



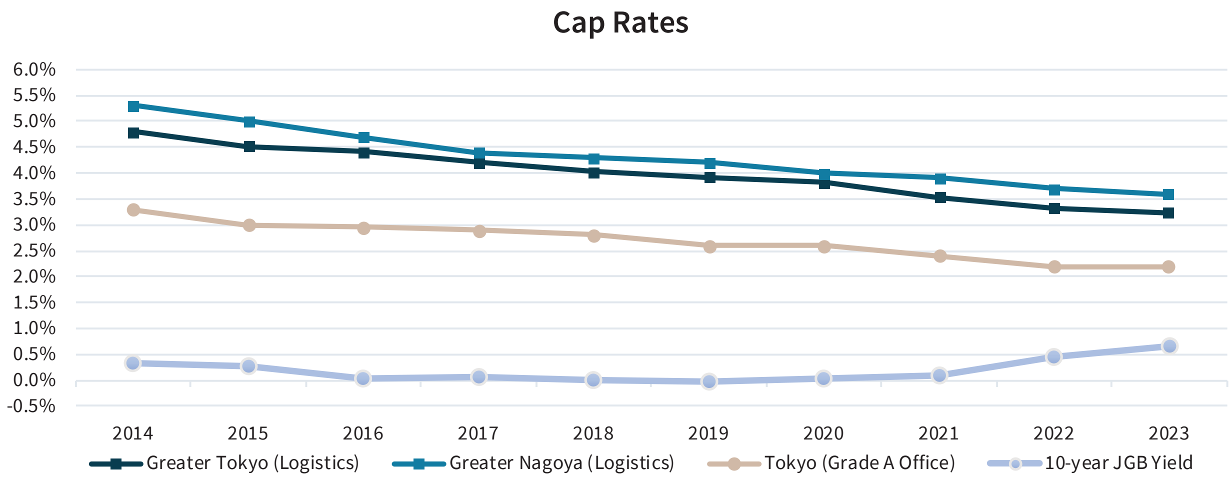
Source: JLL
*The bar chart in 2024Q1 represents the percentage of each sector's transaction volume in total during the period of 2024Q1.

* Kyushu includes all prefectures in Kyushu (Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, and Kagoshima), and Okinawa prefecture.

Cap Rate

Amidst the continued low interest rates, cap rates for commercial real estate have also been compressing. In this context, the attention to logistics facilities from domestic and foreign investors has further increased. The charts show the cap rate trend of the logistics sector in Japan and compares it to Tokyo Grade A office. For the office sector, although the risk of increasing vacancy with falling rent was temporarily anticipated due to the weakening office demand, office cap rates have rather moved back to the declining trend supported by the strong investor appetite for prime assets. As the pace of compression is faster for the logistics sector compared to the office sector, the gap of cap rates between office and logistics facilities are narrowing albeit at a gradual pace.

In particular, investors are focusing on opportunities in the Greater Tokyo. However, as investment opportunities are limited in Greater Tokyo, investor interest is diversifying into Greater Osaka, Greater Nagoya and Greater Fukuoka. Reflecting such strong investor demand, cap rates of logistics facilities in all regions have been largely compressing over the years, and its trend is continuing. The current low interest rate environment is expected to persist for the foreseeable future. It is anticipated that investors will continue to show strong interest, particularly in stable income-generating logistics facilities.



Source: JLL, Oxford Economics

4-2. Comparable Sales

The following table shows selected J-REIT's comparable sales in Greater Nagoya in 2022-2024Q1. (The following lists include properties for which delivery and settlement dates are scheduled for 2024)

Greater Nagoya Sales Comparable

Property Name	Sub-market	City	Prefecture	Sale Price (JPY mn)	Sale Date	GFA (sq m)	NLA (sq m)	Capital Value (JPY/sq m)	Vendor	Purchaser	Yield (%)
IIF Yokkaichi Logistics Center	Other	Yokkaichi	Mie	5,382	Sep-22	34,541	33,327	161,491	Kashima Leasing Co.	Industrial & Infrastructure Fund Investment Co.	5.5
Matsusaka Logistics Center	Other	Matsusaka	Mie	692	Nov-22	3,019	3,014	229,565	KT Capital Co.	Tokaido REIT, Inc.	5.0
GLP Suzuka	Other	Suzuka	Mie	5,030	Nov-22	26,745	29,192	172,307	GK Suzuka Holdings	GLP J-REIT	5.9
Centrair Logistics Center	Bay Area	Tokoname	Aichi	10,470	Feb-23	73,996	63,494	164,896	GK Owari 2	Tokaido REIT, Inc.	5.1
Aisai Logistics Center	Inland Area	Aisai	Aichi	4,045	Jul-23	13,701	13,701	295,242	LRF2 Properties GK	LaSalle Logiport REIT	4.2
Kariya Logistics Center	Other	Kariya	Aichi	6,045	Jul-23	20,981	20,953	288,497	LRF2 Properties GK	LaSalle Logiport REIT	4.3
Inuyama Logisticsa Center	Inland Area	Inuyama	Aichi	3,270	Mar-24	10,363	10,363	315,535	LRF2 Properties GK	LaSalle Logiport REIT	4.2
IIF Toyohashi Logistics Center	Other	Toyohashi	Aichi	1,780	Mar-24	8,017	8,017	222,028	Logisteed	Industrial & Infrastructure Fund Investment Co.	5.0

*Yield is based on NOI.
Source: J-REITs, JLL

5. Outlook

Japan's economy is in the moderate recovery phase, however, there are risks due to downward pressure from the global economy. While countries around the world continue to experience a slowdown in the real estate investment market due to rising interest rates and price adjustments. On the other hand, in Japan, the BOJ has maintained its current easing policy, while there is a risk of a recession caused by a decline in real wages due to inflation. It is important that the virtuous cycle between wages and prices needs to keep operating in a self-sustaining manner. The favourable funding environment in Japan is expected to persist for the time being, and investment demand in real estate remains resilient. In particular, the demand for logistics facilities remains strong, supported by the growth of the e-commerce market. However, there are possibilities of the increases in interest rate with adjustments in monetary policy in the near future.

For the logistics real estate market, the development locations of logistics facilities are expanding nationwide. There is a possibility that the supply, particularly in regional areas, will accelerate due to overtime regulations for truck drivers starting from the year 2024. In the long term, the demand for modern logistics facilities is expected to continue expanding. This is driven by changes in consumption structures and the efficient utilization of logistics facilities, such as the growth of e-commerce, the progression of automation, and the relocation from older logistics facilities. Along with the changing needs of consumers, there has been an increasing demand for flexible and high-quality rental logistics locations that offer low initial investment costs. Additionally, as it becomes more difficult to hire truck drivers and warehouse workers with an aging population, demand for facilities with attractive environments for workers has also been on the rise. The combination of these factors has resulted in the growth in demand for modern logistics facilities. There may be a temporary increase in vacancy rates in some areas due to continuous large new supply. While the large supply of logistics facilities has led to longer lease-up periods for properties. Construction costs have increased due to rising construction material prices and labor costs, which has led to an upward trend in the rents of logistics facilities.

In the investment market, the current low interest rate financial policy is expected to be maintained for a while, leading to continued strong investment appetite from investors, particularly for logistics facilities that offer stable income prospects. Many investors are interested in investing in logistics facilities in the Greater Tokyo area. However, due to limited investment opportunities in the Greater Tokyo area alone, investor interest is also increasing for logistics facilities in other regional markets in Japan, such as Osaka, Nagoya, and Fukuoka. Competitiveness in logistics facilities investment is anticipated to continue throughout Japan.

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Project Magnum – Independent Logistics Property Market Research Report, Singapore ("Independent Market Research Report")

PREPARED FOR
THE MANAGER AND TRUSTEE OF ESR-LOGOS REIT

BY
KNIGHT FRANK PTE LTD
CONSULTANCY

9 July 2024

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PART 1 – OVERVIEW OF LOGISTICS AND INDUSTRIAL MARKETS

1 GLOBAL LOGISTICS, INDUSTRIAL AND MANUFACTURING MARKETS

1.1 Key macro-economic trends

1.1.1 Overview

The global logistics sector is growing continually as the global economy evolves. Factors such as the expanding landscape of international trades and surge in consumer demand in the various economies propel logistics market growth. Rapid urbanisation, expanding economies and e-commerce worldwide, along with changing consumer lifestyles and expectations boost the demand for goods and thereon supply chain activities, logistics and warehousing space demand. Logistics companies connect firms to markets by providing various services, including multi-modal transportation, freight forwarding, warehousing, and inventory management. The logistics sector forms an integral supply chain for global manufacturing, which is complex and multi-locational. Warehouse properties form an essential physical facility for the logistics management system, as it provides the storage of finished goods, shipping and delivery of order. Efficient warehousing provides an important economic benefit to businesses and consumers.

The advancement in logistics solutions, such as warehousing, management in security, information and inventory, material handling, transportation and last-mile delivery, expand overall market size of logistics. In addition, funding and research & development initiatives by the public and private sectors in gateway cities enhance technological breakthroughs and the digitalisation of logistics, which pushes up market value.

Similarly for industrial manufacturing, the sector is at the cusp of a new era of transformation, automation and digitisation in many advanced and some emerging economies. While some multi-national manufacturers are embarking on facility consolidation to improve operational efficiency, others are seeking new regional hub locations to leverage markets and promote growth. Operational and supply chain rationalisation, factory automation and cost optimisation are some of the many initiatives manufacturers are embarking on to take advantage of the changing end-user demand for goods and services. The search for a pro-business and pro-trade location with high quality infrastructure, such as Singapore, will continue to be a paramount factor for both established and fast-growing industrialists to set up their logistics and manufacturing operations.

Favourable trade policies and economic reforms mooted by progressive governments offer market opportunities in logistics and manufacturing to vendors, bringing investments to the manufacturing sector and increasing the demand for logistics services and warehouse space.

1.1.2 Impact of COVID-19 on the logistics and manufacturing sector

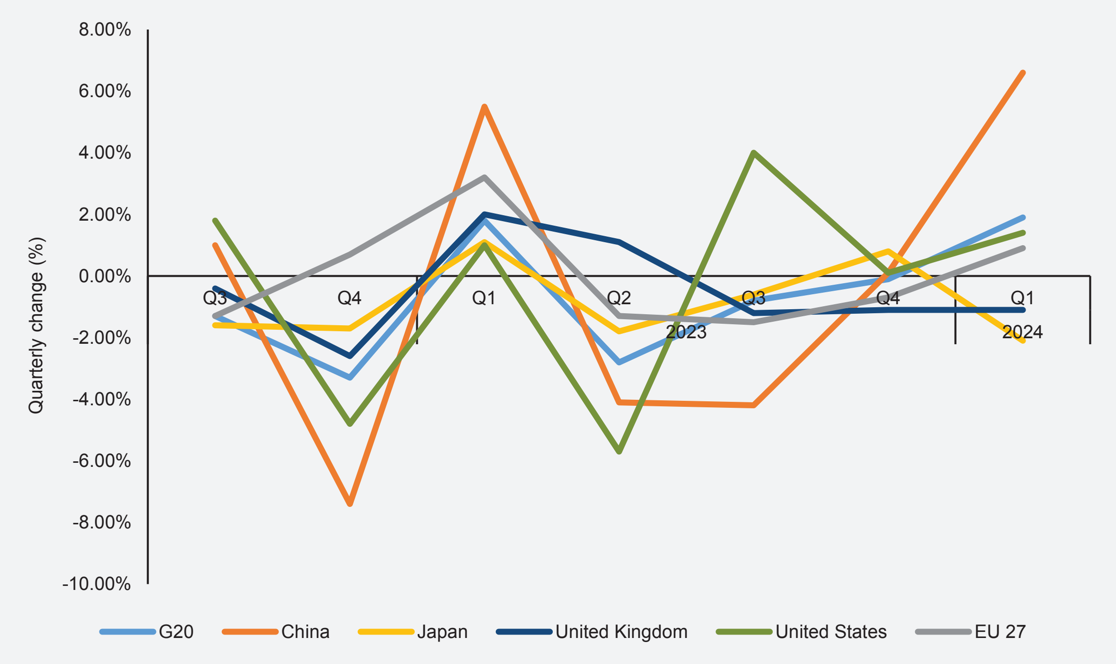
Logistics firms, which are involved in the movement, storage, and flow of goods, was directly impacted by the COVID-19 pandemic. Although manufacturing is not among the hardest hit sectors by the crisis, shocks to supply of labour, raw materials and semi-finished components in the supply chain have impeded the pace of manufacturing output and exports to customers around the world.

Many countries had imposed temporary border closures and travel restrictions in 2020 amid COVID-19 pandemic, which significantly reduced cross-border goods movement and international mobility. The port lockdowns for the first half of 2022 in China followed by lockdowns in Shanghai and some major cities in the second quarter of 2022 had further strained the global supply chain and a surge in shipping prices. But with the re-opening of global air travel and the relaxation of China's border restrictions since early 2023, the air transport and aerospace segments are enjoying robust growth as international travel continues its post-pandemic recovery. Domestic-oriented sectors such as accommodation, food & beverage services, entertainment and recreation are envisaged to contribute to higher demand for logistics, storage and food production. Inflationary pressures have started to gradually moderate with the stabilisation of commodity prices amid softening global demand, albeit with a likelihood of prolonged elevated prices due to risks from geopolitical tensions and climate change.

According to the Organisation for Economic Co-operation and Development (OECD), after declining in 2023, international merchandise exports for the G20[1] countries grew by 1.9% q-o-q in Q1 2024 – boosted by strong export growth in China, while imports contracted by a marginal 0.2% – partly reflecting decreasing energy prices (Exhibits 1-1 and 1-2). For major economies, merchandise export in the United States was driven by higher sales of consumer goods and agricultural products, while steel and machinery fuelled export growth in China.

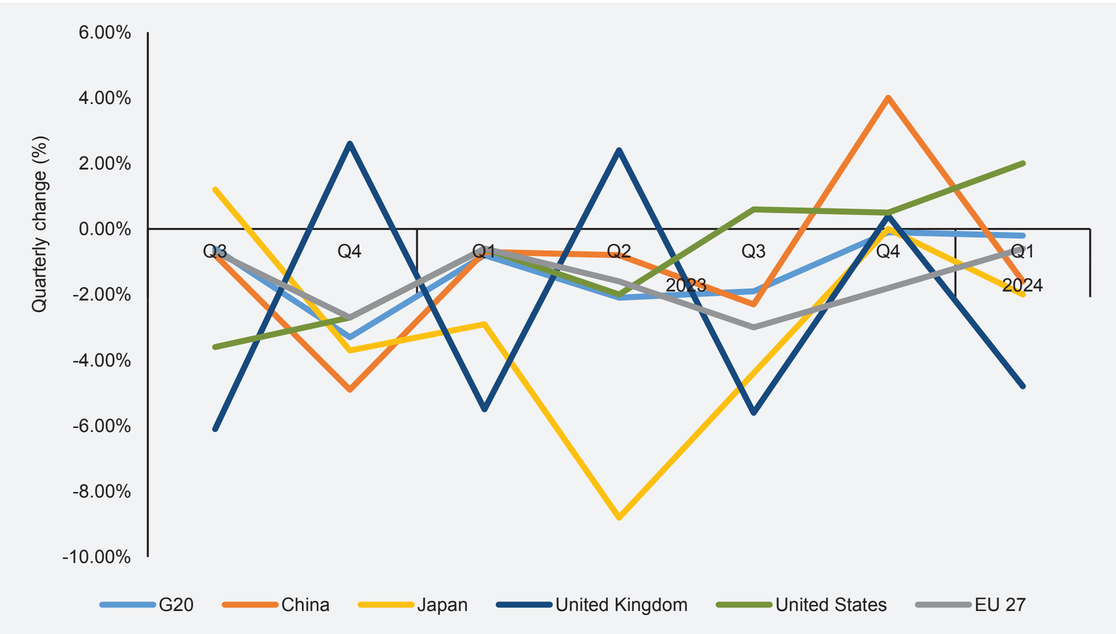
With ongoing headwinds such as persistent inflation and monetary tightening, Russia's invasion of Ukraine and conflicts in the Middle East, coupled with subdued growth in productivity, the International Monetary Fund (IMF) projects plateauing global economic growth of 3.2% in 2023 to continue at the same pace in 2024 and 2025, while the World Trade Organization (WTO) forecasts world merchandise trade volume to grow 2.6% in 2024 and 3.3% in 2025, following a larger-than-expected decline of -1.2% in 2023. Demand for trade-intensive manufactured goods is expected to gradually recover over the next two years as inflationary pressures ease and as real household incomes improve.

Exhibit 1-1: Quarterly % change in international merchandise exports for G20[1], EU27[2] and major economies, Q3 2022 to Q1 2024



Source: OECD, Knight Frank Consultancy

Exhibit 1-2: Quarterly % change in international merchandise imports for G20, EU27 and major economies, Q3 2022 to Q1 2024



Source: OECD, Knight Frank Consultancy

[1] The G20 consists of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union.

[2] The EU 27 includes Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain and Sweden.

1.1.3 Impact of geo-political tensions on the logistics and manufacturing sector

Russia-Ukraine War

As a resource-rich country and one of the world's largest oil and gas exporters, Russian exports more than five million barrels of oil per day. The Russia-Ukraine conflict had caused a spike in global oil and natural gas prices since February 2022, followed by gradual decline for the next 12 months. This crisis has also strained global supply chains as Russia and Ukraine are major exporters of commodities such as nickel and wheat. Coupled with tightened sanctions and other trade restrictions on Russia, the energy sector is operating in an uncertain environment. The price of crude oil was already inflated before the war due to increased demand fuelled by global economic recovery from COVID-19 pandemic and low investment in the oil and gas industry.

To match envisaged levels of energy consumption, countries are required to boost imports from other countries, which will add on to the overall cost of production as they are likely to be higher-priced. Demand for fuel and electricity on a global scale will rise as countries gain momentum in economic growth, intensifying the imbalance between supply and demand.

Continuing tensions between Russia and Ukraine which have been long drawn continues to exert some impact, albeit not extensive, on the manufacturing industries related to the production of stainless steel and semiconductors, as well as the food sector.

Israel-Hamas War

The ongoing war between Israel and Hamas militants in Gaza has led to congestion and a backlog of cargo at the Israeli ports of Haifa and Ashdod, as well as the closure of smaller ports around the coastal Gaza enclave.

Although Israeli ports only handle about 0.4% of the world's container throughput, container shipping ports in Singapore have been impacted by attacks on commercial vessels in the Red Sea by the Houthis in Yemen intended at putting pressure on Israel over the war. These attacks have disrupted global container trade flow by causing ship vessels to take a longer route around the Cape of Good Hope in South Africa, instead of sailing between Asia and Europe through the Suez Canal. The increased cost of shipping to Asia and insurance premiums incurred by shipping companies have prompted some liners to consider berthing alternatives to avoid delays in shipments of imports and exports due to port congestion.

Such disruptions to global supply chains arising from geo-political tensions could require the government to shift from a “just-in-time” operating model to a “just-in-case” model to a certain extent, where there are sufficient stockpiles of essentials and raw materials in place to cope with sudden surges in demand, shortfall in goods replenishment and future higher prices.

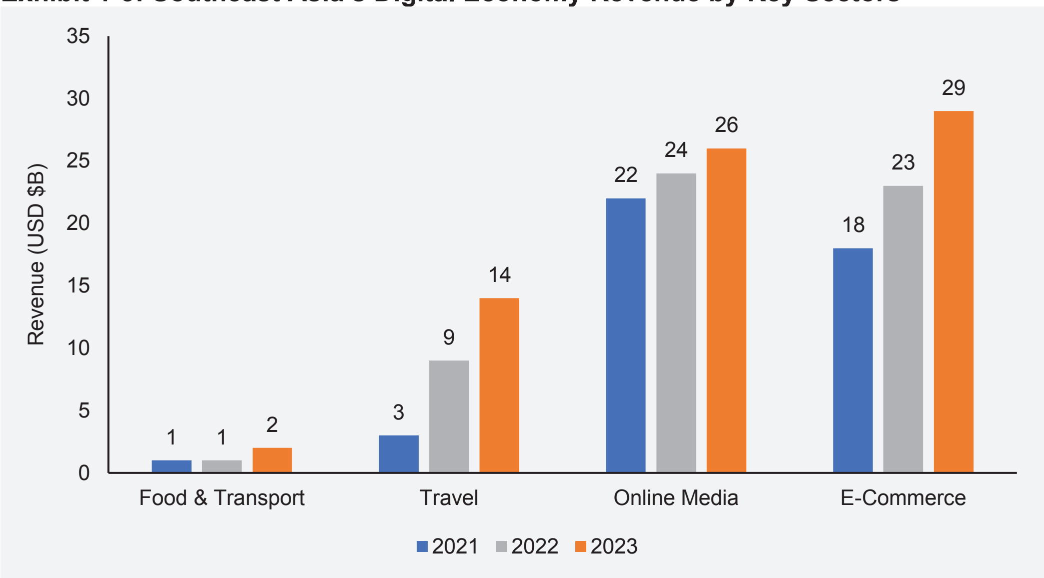
1.1.4 Changes in global supply chain

The COVID-19 pandemic has undeniably accelerated structural shifts in the global supply chain over the last four years. Countries are observed to lean towards regional supply chains, sourcing for more goods from its regional neighbours to minimise risk. Due to the US-China trade tensions, many global companies intended to "reshore" supply chain operations to the ASEAN region. According to survey results from EY's Industrial Supply Chain Survey conducted in March 2022, a majority of global companies surveyed have responded to disruptions in global disruptions by decoupling their existing supply chains, with 53% of respondents indicating that they have re-shored their operations in the last two years, and 44% planning new or additional re-shoring activities in the next two-years to increase geographic diversity and reduce risk. SEA is viewed to be one of the biggest beneficiaries of the realignment of supply chains as global companies perceive the region of approximately 670 million population as a viable alternative to China.

1.1.5 Increase utilisation of e-commerce services and online purchases

Altering consumption trends, the pandemic has been a catalyst for existing and new digital users to adopt new online services and increased their frequency of use and spend in these services. Based on the *e-Conomy SEA Research 2023*, an annual publication launched by Google and Temasek, it is found that within the Southeast Asia region, revenue generated by the digital economy increased by 59% between 2021 and 2023 as consumers increased their frequency of digital services usage and thereon digital services spending (Exhibit 1-3). According to the study findings, continued surge in e-commerce drove most of the year's internet market growth. Digital services are now integral to everyday life of Southeast Asians and merchants who want to meet the rising expectations of consumers.

Exhibit 1-3: Southeast Asia's Digital Economy Revenue by Key Sectors



Source: Google-commissioned Kantar SEA e-Conomy Research 2023

The e-commerce ecosystem comprises various players such as technology companies, online-based retailers, traditional businesses with digital presence, and logistics companies serving demand from retailers and consumers. Euromonitor International projects that half of the absolute value growth for the global retail sector over the 2020-2025 period will be digital. This equates to USD$1.4 trillion in absolute value growth as more goods are sold online.

1.2 Singapore is emerging as a logistics hub in Asia Pacific

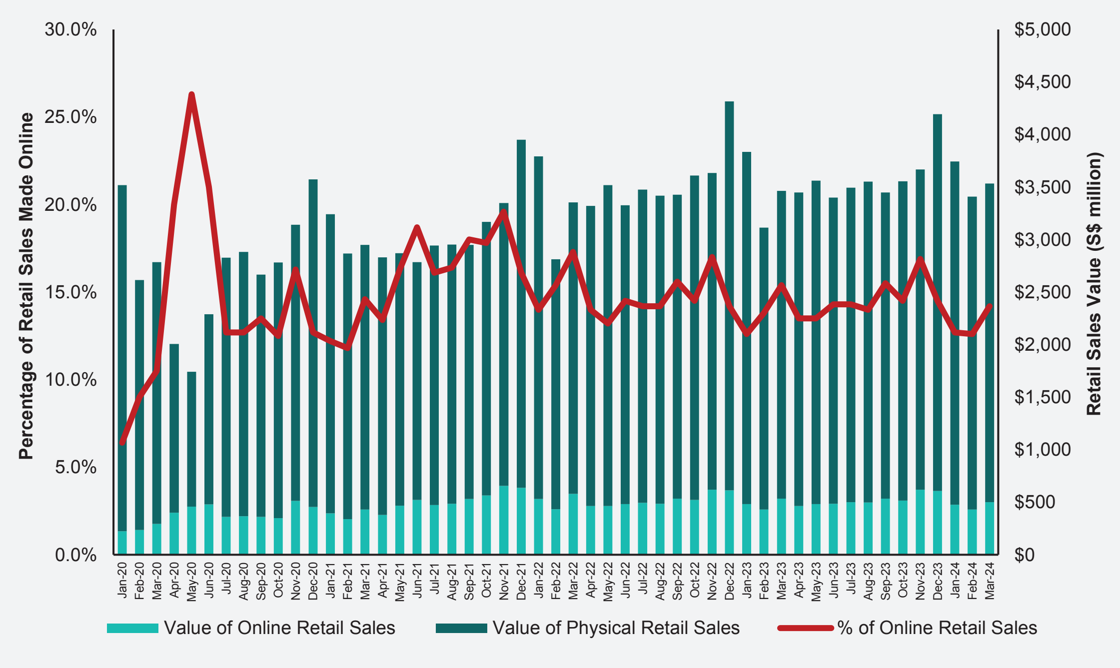
The World Bank has ranked Singapore as Asia's top logistics hub for ten years in a row. Industry players see Singapore as a preferred local and regional entry point to the Southeast Asia market due to the nation's highly reliable payment gateway and logistics services. Deloitte's Technology-empowered Digital Trade in Asia Pacific report highlighted that Singapore has emerged as one of the key e-Commerce destinations in Asia. Additionally, Singapore's e-commerce industry is fuelled by the presence of several e-commerce giants such as Alibaba and Amazon, who have set up their regional headquarters in Singapore. As Southeast Asia is emerging as a new market for cross-border e-commerce platforms, Singapore has strategically placed itself amid the digital action. This sets the ground to provide for even greater growth opportunities for Singapore's logistics and warehouse sectors.

Some of the other key themes that support the growth of Singapore as a key logistics hub:

- **Burgeoning e-commerce trade has cast greater importance on the logistics sector and set to expand the sophistication and scale of the logistics business, in particular in Asia-Pacific region.** Warehouse supply would need to be boosted for some markets where e-commerce is still relatively underdeveloped by global standards. According to *e-Conomy SEA Research 2023,* Southeast Asia's booming internet economy's Gross Market Value (GMV) is expected to grow from USD$218 billion in 2023 to USD$295 billion by 2025. With the rise of a highly diversified cross-border production, Singapore plays an integral role in the regional and global supply chain. Third party logistics companies (3PLs) such as SingPost, DHL and Ninjavan, which provide last-mile delivery services require warehouse spaces for storage and processing of items from overseas and local retailers. Besides 3PLs, warehouses and logistics facilities are occupied by other e-commerce-related businesses such as online market platforms, start-up retailers and traditional retailers for storage of goods. Regional growth in trade and e-commerce demand is likely to translate into stronger warehouse demand in the long term, benefitting Singapore's status as a logistics hub.

  Illustratively, pre-COVID-19, the proportion of retail revenue generated from online transactions (excluding Motor Vehicles) in Singapore was below 10%. When COVID-19 circuit breaker measures were imposed since April 2020, contribution from online retail sales peaked at 26.3% in May as consumers turned to online purchases. It has hovered between 12.2% to 19.5% for 2020 and 2021 (Exhibit 1-4). The online sales proportion exhibited a general upward trend in H2 2021 and maintained at above 13% in the first half of 2022. With restrictions almost fully relaxed since April 2022, online retail sales averaged at 14.3% between May 2022 to March 2024. These trends reflect how the pandemic has increased consumers' reliance on online spending and hence augmenting the e-commerce business. The surge in the volume of e-commerce trade, coupled with the national stockpiling of essential goods and the continuing reliance on online retail have accelerated the demand for storage needs and thereon warehouse spaces.

Exhibit 1-4: Proportion and sale value of online and physical retail spending in Singapore (excluding MV), January 2020 to March 2024



Source: Singstat, Knight Frank Consultancy

- **Push towards creation of regional supply chains:** the pandemic has pushed many multinational companies (MNCs) to diversify their production chains and move their production lines to Southeast Asia, which aids to deepen the economic links between countries. Companies are shifting their operations from China and India to South-east Asia (SEA), where Singapore, as a regional hub, is well positioned to seize the opportunities with the MNCs shifting their operations to the Southeast Asia region. Singapore's integration of logistics and financial hub serves as a competitive edge for the nation, as the MNCs will be in favour of a reliable hub with a robust legal system and institutional framework to support their operations. The pandemic has also helped companies and countries realise the importance of balancing efficiency and resilience of their supply chains, and to diversify their production networks instead of opting for the lowest cost options. This shift in production lines and supply chains will likely provide greater opportunities for collaboration between Singapore and overseas enterprises such as Chinese companies, as they move their operations to this region in recent years.

  In addition, Enterprise Singapore (ESG) has reported an increasing trend of transport and logistics companies diversifying for growth to keep up with the changing environment since the pandemic. This includes digital transformation, strengthening of partnerships with international players and providing multimodal logistics services, in order to capture growth opportunities, increase productivity and deepen market presence. Pacific Integrated Logistics (PLG), a firm specialised in industrial, marine and offshore logistics, develops and deepens new capabilities in food logistics, diversifying its business segments and embarked on the digital transformation journey to meet customer needs and improve employees' productivity. Cold chain management, an essential part of food logistics, became a new focus area for PLG, and it also accelerated its expansion plans by investing in two new cold chain facilities at Senoko and Pandan Loop, and one ambient storage facility at Tuas South Lane. In another example, Global Airfreight International (GAI) Pte Ltd, one of the largest Singapore-owned freight forwarders in the logistics industry, diversified its services to include multimodal logistics and warehousing services. GAI also moved into vertical specialisations such as pharma logistics to capture new opportunities in the new normal post-COVID-19.

- **Singapore is a major logistics hub ranked first in the world for logistics quality and competence on the World Bank's Logistics Performance Index**[3]. An important pillar of the Singapore economy, the logistics sector connects key supply chain nodes to facilitate efficient trade flow, and is expected to achieve an annual value-added growth of 2% to S$6.9 billion and introduce 2,000 new jobs by 2025.

Exhibit 1-5: Top Country Rankings for Logistics Performance Index (LPI), 2023

Country	Overall LPI, Rank Year 2023
Singapore	1
Finland	2
Denmark	3
Germany	3
Netherlands	3
Switzerland	3
Austria	7
Belgium	7
Canada	7
Hong Kong	7
Sweden	7
United Arab Emirates	7

Source: The World Bank, Knight Frank Consultancy

- **Singapore boosts container handling capacity as more ships call.** Amid shipping delays caused by congestion at the local port terminals due to prolonged vessel re-routing to avoid Houthi attacks on commercial vessels in the Red Sea, the Port of Singapore Authority (PSA) boosted its manpower and container handling capacity by reactivating previously decanted older berths and yards at Keppel Terminal – increasing the number of containers handled weekly from 770,000 twenty-foot equivalent units (TEUs) to 820,000 TEUs. In a statement on 30 May 2024, the Maritime and Port Authority of Singapore (MPA) announced that on top of the existing nine berths at the Tuas Port, three new berths are slated to start operations later in the year as part of the phased opening of the $20 billion Tuas Mega Port.

  Despite longer waiting times for incoming container vessels at the Singapore port terminals, the total volume of containers passing through increased to 16.9 million containers between January and May 2024 – up 7.7% from 15.7 million containers during the same period a year before. While the Red Sea crisis is unlikely to ease anytime soon, proactive efforts by the authorities is envisaged to minimise the impact to Singapore’s trade and manufacturing

[3] Updated once every two to three years, the Logistics Performance Index is published by the World Bank.

activities as total trade expanded by 14.2% y-o-y in May, with exports up by 12.6% and imports up 16%.

2 ASIA-PACIFIC LOGISTICS AND INDUSTRIAL PROPERTY INVESTMENTS

2.1 Performance overview

The US and Europe remain the key destinations for cargo via the main East-West trade lanes. However, the trend of the last few years has been the rise to prominence of intra-Asia trade, along with robust import growth for both manufacturing inputs and consumer products. The logistics sector in Asia-Pacific is growing rapidly due to the increasing logistics activities in East Asia and SEA and the presence of major economies like China and India.

With the continent's geographical position along crucial maritime trade routes connecting European and Middle eastern ports, Asia's prospects in ports, logistics and manufacturing sectors looks bright with potentially continuous trade growth, in particular China and Southeast Asia. The top nine biggest container ports in Asia, all of which fall within the top ten biggest ports in the world, are poised to handle higher volumes of container throughputs in a post-pandemic era (Exhibit 2-1).

Exhibit 2-1: Top 10 Container Ports Globally, 2017 versus 2021

Rank	Port in City / Country	Volume in Million TEU[4]		% Growth
		Year 2021	Year 2017	
1	Shanghai, China	47.03	40.23	16.9%
2	Singapore	37.49	33.67	11.3%
3	Ningbo-Zhoushan, China	31.07	24.61	26.2%
4	Shenzhen, China	28.77	25.21	14.1%
5	Guangzhou Harbor, China	24.18	20.37	18.7%
6	Busan, South Korea	22.71	20.49	10.8%
7	Qingdao, China	23.71	18.30	29.6%
8	Hong Kong, S.A.R, China	17.80	20.76	-14.3%
9	Tianjin, China	20.27	15.07	34.5%
10	Rotterdam, The Netherlands	15.30	13.73	11.4%

Source: World Shipping Council, Knight Frank Consultancy

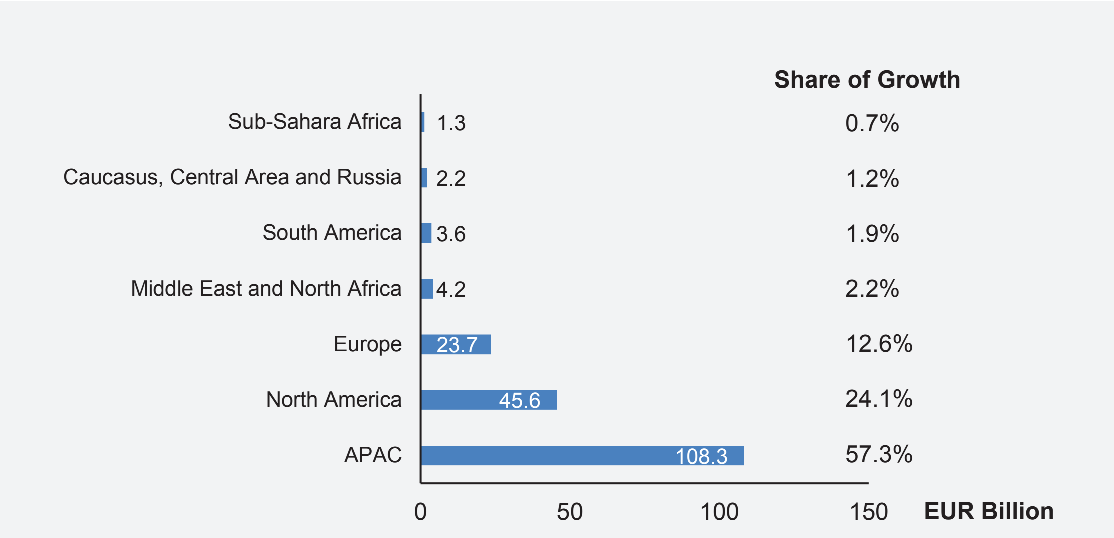
Asia-Pacific (APAC) is projected to recover faster than other regions economically and is envisaged to be the centre of all logistics activity in terms of growth and investment quantum. According to GSCi and HIS Markit, the APAC e-commerce logistics market will account for at least 57% of the total market growth from 2020 to 2025 (Exhibit 2-2). Many Asian countries can expect exceptional growth in their domestic economies, with China, Japan and India retaining their position as the largest logistics market in Asia.

The APAC logistics market has outperformed various other sectors in 2021-2022. Investment activities created momentum for logistics assets, where both global and local logistics players have been active in various Merger and Acquisition (M&A) activities to expand their Asian networks and business portfolios. Legacy players were observed to accelerate their efforts in capturing larger market share. For example, logistics giant DP World relocated its Asia-Pacific

[4] TEU refers to twenty-foot equivalent units

headquarters to Singapore and is reported to be finalising the acquisition of Hong Kong-based logistics firm Cargo Services Far East valued at between USD$300 – 400 million.

Exhibit 2-2: E-commerce logistics market size across regions, 2020 – 2025 growth, in EUR billion and share of growth

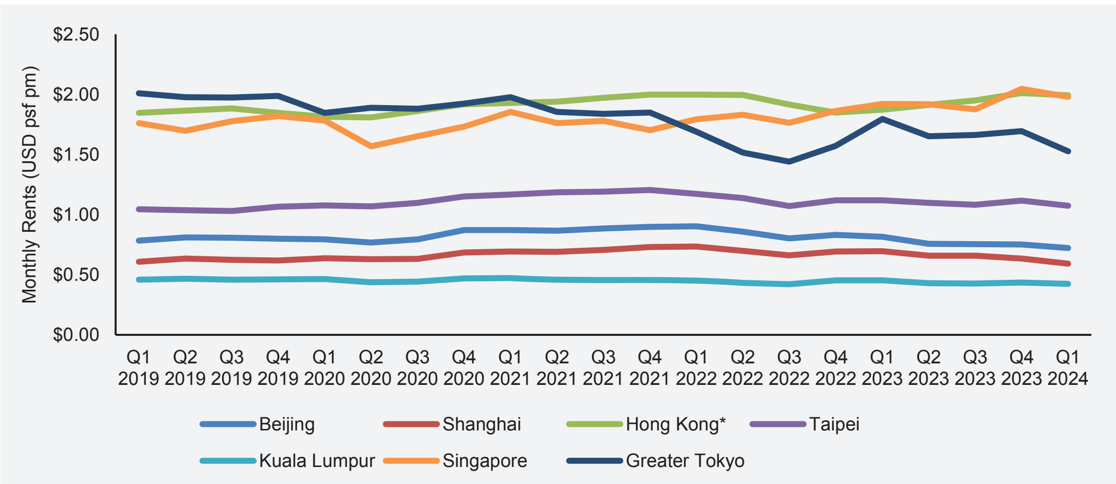


Source: GSCI, HIS Markit, Mckinsey, Knight Frank Consultancy

2.2 Logistics / warehouse property performance in Asia Pacific (APAC)

Supported by healthy demand for logistics services and warehousing space, overall rents of logistics / warehouse properties in Singapore remained resilient despite the rental slowdown in other APAC cities. Warehouse rents in the APAC region are currently led by Singapore and Hong Kong, just slightly short of USD2 psf pm. Rents in Japan are approximately 23% lower than the two Asian tigers. Despite the slowing down of warehouse rents, well-located and good quality warehouses are increasingly sought after as goods storage and distribution remains strong. Due partly to the stronger USD against various currencies, rental declines or flat rental trends were observed for most APAC cities, with the exception of Singapore and Hong Kong.

Exhibit 2-3: Average rents of prime logistics / warehouse properties in selected APAC markets (2019 to Q1 2024), in USD terms

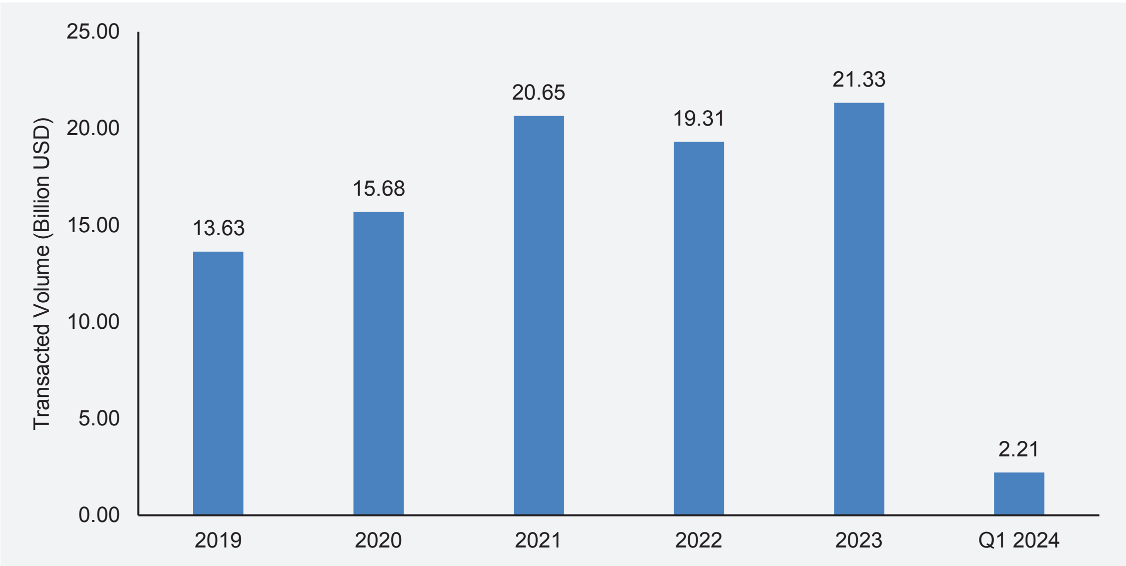


Source: Knight Frank Asia Pacific, ARES

2.3 Industrial property investment sales in APAC

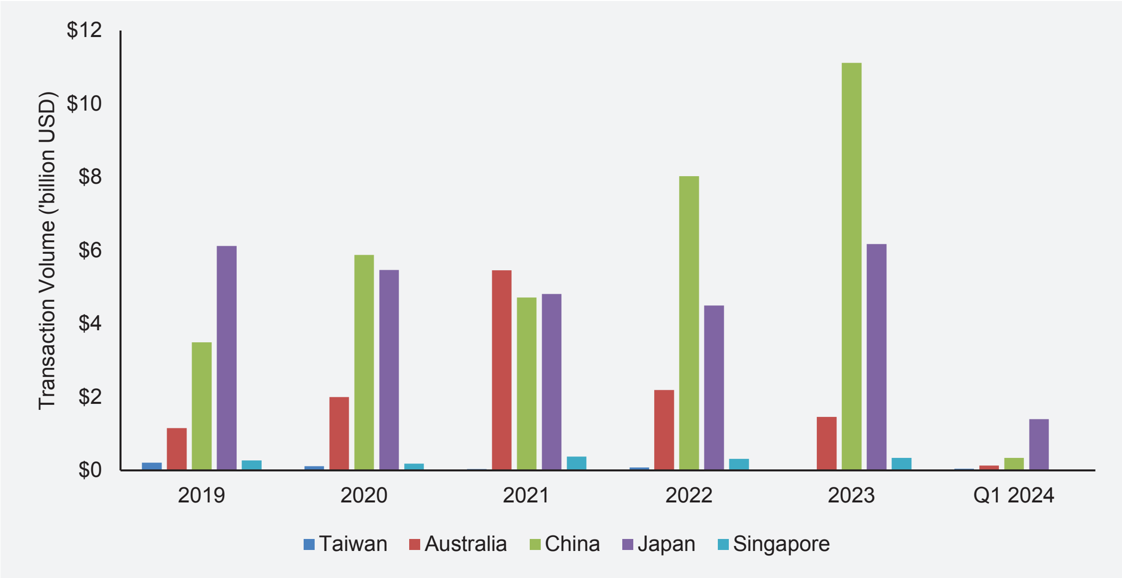
Spurred by e-commerce and catalysed by COVID-19 lockdowns in various parts of the world, the surge in popularity of logistics as an attractive asset class has propelled the demand for industrial and warehouse properties. Investment sales activity for industrial and logistics / warehouse properties has been robust in the APAC region, especially so in 2021. An estimated total investment sales value of amounting to USD 21.3 billion was recorded in APAC in 2023, 10.5% higher than USD19.3 billion in the previous year (Exhibit 2-4). Investors are principally private funds and traditional logistics. The notable deals (by transacted price) in 2023 comprise industrial and logistics/warehouse properties mainly in Japan, first-tier cities in Mainland China, South Korea, Australia, and Singapore. The ongoing geopolitical tensions have impacted shipping activities across the globe, including the APAC region. As at Q1 2024, logistics investment sales in the APAC region were circa USD 2.2 billion, with a recovery in demand for warehouse properties anticipated to begin in the second half of 2024 as investors redeploy capital to higher-yielding industrial properties in a higher-for-longer interest rate environment.

Exhibit 2-4 Total annual logistics/warehouse investment sales value in APAC region, 2019 to Q1 2024



Source: Real Capital Analytics, Knight Frank Consultancy

Exhibit 2-5 Breakdown of annual logistics/warehouse investment sales value in selected APAC markets, 2019 to Q1 2024

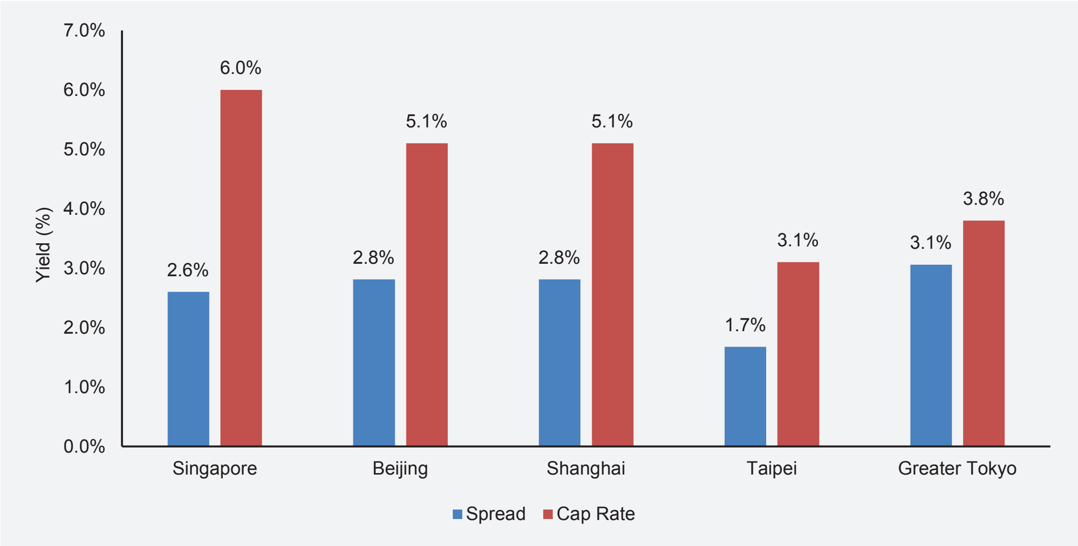


Source: Real Capital Analytics, Knight Frank Consultancy

As funds re-adjust their portfolios by paring down allocations for retail and office assets, the logistics sector benefitted from this shift, as evident from the general compression of investment yield of logistics/warehouse spaces in the various APAC cities over the past years, according to Knight Frank regional database. Transaction yield of Mainland China's first-tier cities (i.e., Beijing and Shanghai) decreased from circa 6.5% - 7.2% in 2018 to 5.1% as at Q1 2024. Investment yield of Taipei's prime logistics/warehouse spaces had declined slightly from 3.1% in 2018 to 2.8% in 2022 but has since picked up to 3.1% in Q1 2024. Similarly, investment yield of such asset types in Singapore and Tokyo experienced mild compression over the years, declining from 6.5% to 6.0% and 4.1% to 3.8%, respectively from 2018 to Q1 2024.

The cap rate spread is a useful indicator of the risk premium real estate investors attach to property investments. It is calculated as the difference between the transaction cap rate and 10-year government bond yield. Among the five selected APAC markets (Exhibit 2-6), prime warehouse/logistics properties in Japan registered the highest cap rate spread in Q1 2024, at 3.1%. This is attributed in part to the generally lower 10-year government bond yields in Japan, which has been hovering at near-0% rate since 2016 and currently at 0.74%.

Exhibit 2-6: Cap Rate and Spread of Logistics/Warehouse Properties in Selected APAC Cities, Q1 2024



Source: Monetary Authority of Singapore, Macrobond, ARES, Knight Frank Asia-Pacific, Knight Frank Consultancy

Note:

1) *The 10-year government bond yield is taken as a proxy of the risk-free rates. All government bond yields are based on the respective country origination.*
2) *In the above chart, Greater Tokyo refers to the "23 Special Wards of Tokyo".*

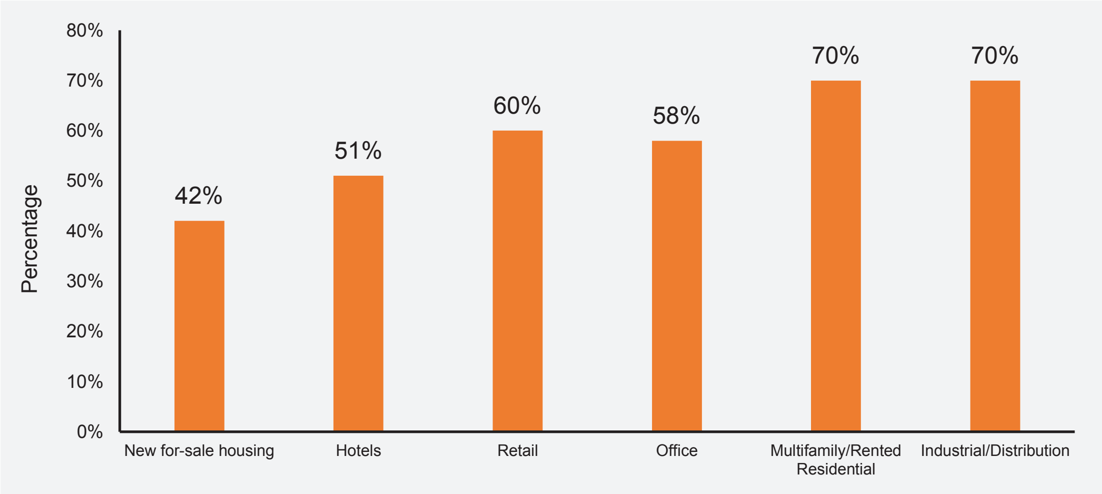
2.4 Industrial / Distribution property prospects

As corporate work-from-home policies and booming e-commerce sales sowed the trend of a secular shift away from more conventional real estate uses, investors are tilting the balance towards a reweighting of portfolios into new-economy themes, such as industrial and distribution (i.e., logistics / warehouses) assets. According to the Emerging Trends in Real Estate Asia Pacific 2024 survey conducted by PwC and Urban Land Institute, industrial / distribution property assets are highly favoured by the survey respondents who comprise mainly property owners, developers, funds, investors and service firms (Exhibits 2-7 and 2-8).

Exhibit 2-7: Prospects for Commercial Property Types in 2024

Source: PwC, Emerging Trends in Real Estate Asia Pacific Surveys 2024, Knight Frank Consultancy

Exhibit 2-8: Broad Sectors in which investors are active or plan to be active in 2024



Source: PwC, Emerging Trends in Real Estate Asia Pacific Surveys 2024, Knight Frank Consultancy

3 OVERVIEW OF THE SINGAPORE ECONOMY, MANUFACTURING AND LOGISTICS SECTORS

3.1 Economic indicators

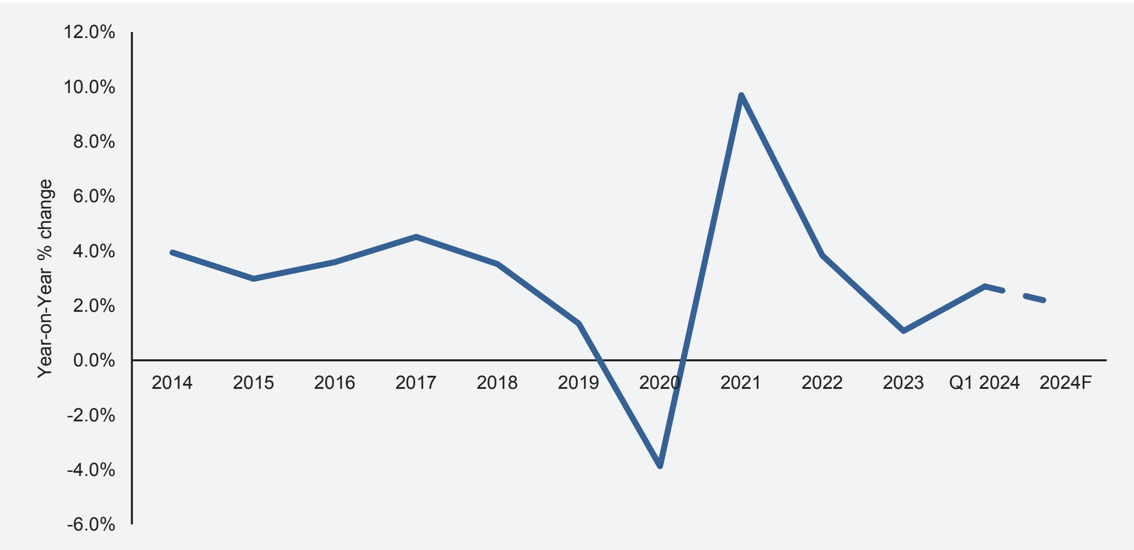
3.1.1 Singapore's economic performance

According to the Ministry of Trade and Industry (MTI), the Singapore economy grew 1.1% year-on-year (y-o-y) for the whole of 2023, moderating from the 3.8% expansion in 2022, reflected partly by muted growth of the global economy as the fight against inflation and global tensions such as Russia's war in Ukraine and conflicts in the Middle East weigh on activity. Despite these headwinds, stronger labour markets, robust household consumption and business investment, and better-than-expected adaptation to the energy crisis in Europe is representing a turning point, with growth bottoming out and inflation declining since the second half of 2023.

In Q1 2024, Singapore's economy grew 2.7% y-o-y, extending the 2.2 % y-o-y growth registered in the previous quarter (Exhibit 3-1). The growth was supported by the output expansions in the services producing industries, where all sectors within the group recorded expansions. In particular, the accommodation sector recorded robust growth on the back of strong recovery in international visitor arrivals which rose by 49.6% y-o-y in Q1 2024 at 4.4 million.

For the goods producing industries, the construction sector grew by 4.1% y-o-y in the first quarter, extending the 5.2% growth in the preceding quarter – buoyed by expansions in both public and private sector construction output. This growth was offset by sluggish performance in the manufacturing sector which contracted 1.8% y-o-y, reversing from the 1.4% expansion in the previous quarter, weighed down by output declines in the biomedical manufacturing (-16.7%), electronics (-4.3%), and general manufacturing clusters (-3.0%), which more than offset output expansions in the transport engineering (13.3%), chemicals (6.6%), and precision engineering (4.7%) clusters.

Exhibit 3-1: GDP growth, 2014 to 2024F



Source: Singstat, Knight Frank Consultancy

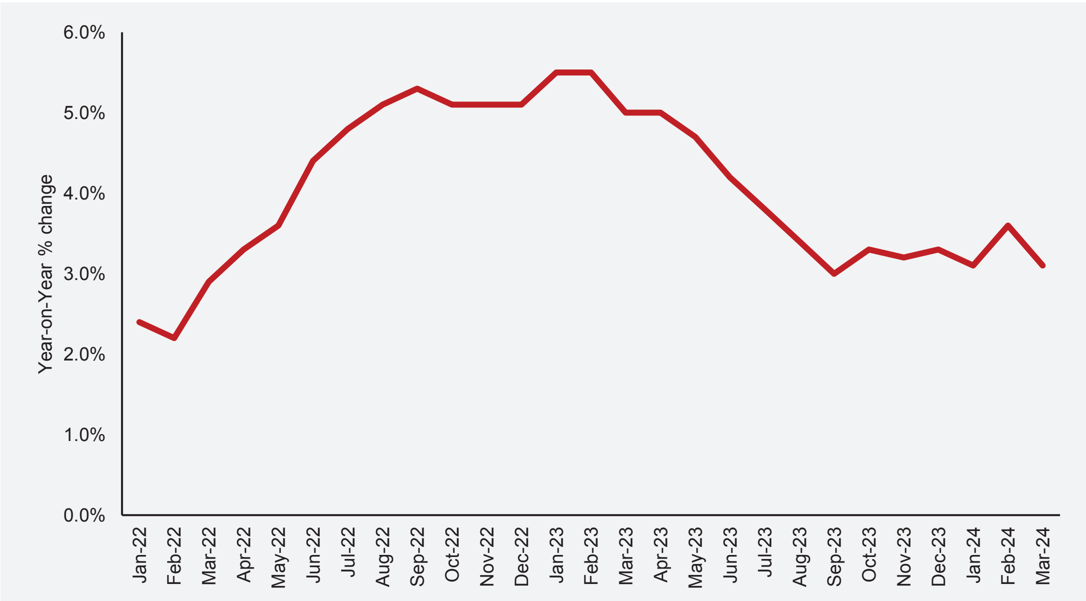
3.1.2 Inflation

After rising to a 14-year high of 5.5% in January and February 2023, Singapore's core inflation has since taken a downward trajectory, falling to 3.0% y-o-y in September 2023 – its lowest level since March 2022 (Exhibit 3-2). This is largely due to lower inflation from high-base effects across a broad range of goods and services including food, travel-related and point-to-point transport services. October 2023 marked the first uptick in core inflation for the year at 3.3%, owing to higher inflation for services and retail goods and an increase in electricity and gas costs, according to the MTI and the Monetary Authority of Singapore (MAS).

For 2023 as a whole, MAS Core Inflation came in at 4.2%, just 0.1% higher than 2022. On a global level, while initial price spikes for grains, oil and other commodities have moderated since Russia's invasion of Ukraine in 2022, a potential escalation of the Israel-Hamas conflict in the Middle East could raise oil prices and inflation, triggering tighter monetary policy from central banks. With tighter monetary policy aided by declining energy prices, the International Monetary Fund (IMF) expects global headline inflation to continue its steady decline – from 8.7% in 2022 to 6.8% in 2023 and 5.9% in 2024.

Against the backdrop of slowing inflation over the course of 2024, the MAS has maintained the prevailing rate of appreciation of its S$NEER policy band as it is assessed to be sufficiently tight in absorbing inflationary pressures from imported goods to ensure medium-term price stability.

Exhibit 3-2: Core Inflation, January 2022 to March 2024

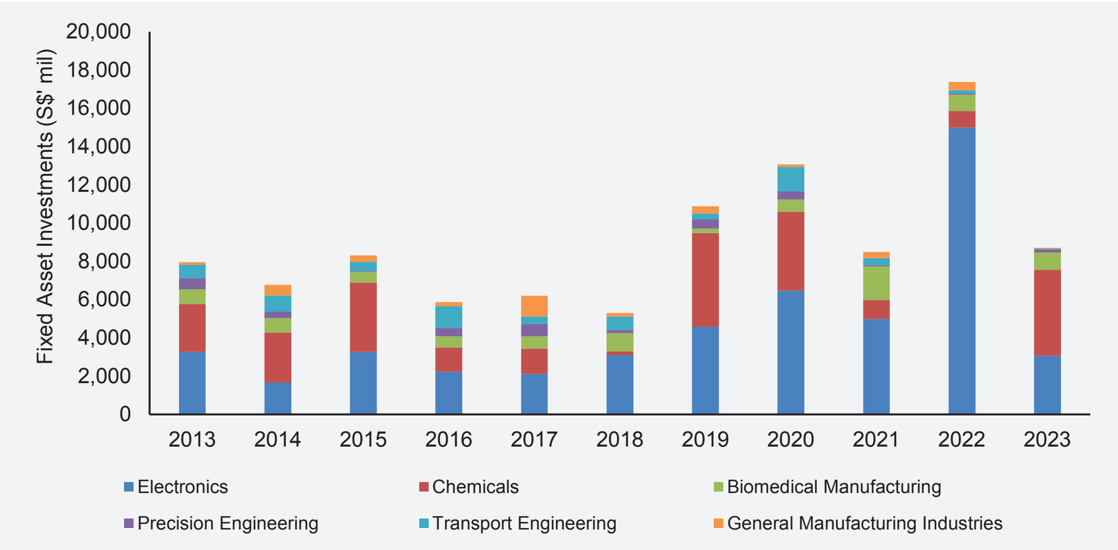


Source: Singstat, Knight Frank Consultancy

3.1.3 Fixed Asset Investments (FAI)

Singapore secured a record high S$22.5 billion in fixed asset investments (FAI) in 2022, double that of the previous year and way above the Singapore Economic Development Board's (EDB) medium- to long-term target range of S$8 billion to S$10 billion. This was largely driven by the electronics sector, which accounted for around two-thirds (66.7%) of FAI commitments (Exhibit 3-3). In contrast, total FAI receipts declined by 43.7% y-o-y to S$12.7 billion in 2023 amid a challenging global environment that affected business and investor sentiment. Manufacturers turned cautious in their expansion plans, contending with tight fiscal operating environments, stubborn inflation, elevated interest rates and geopolitical tensions. In particular, FAI commitments for the Electronics sector decreased significantly from S$15.0 billion in 2022 to S$3.0 billion in 2023 due to a slowdown in global demand for semiconductors. Despite strong macroeconomic headwinds, the FAI in 2023 was still above the Singapore Economic Development Board's ("EDB") medium to long-term annual investment commitment goals of S$8 billion to S$10 billion, with the EDB continuing its efforts to enhance Singapore's attractiveness through investment commitments related to R&D and innovation activities.

Exhibit 3-3: Total FAI (excluding services clusters), 2013 to 2023



Source: EDB, Singstat, Knight Frank Consultancy

3.1.4 Singapore Economic Outlook 2024

On a global scale, while the twin headwinds of high interest rates and geopolitical tensions continue to weigh on business sentiment, economic growth in the US and China was better than expected in the first quarter, buoyed by stronger-than-expected domestic and external demand. After defying recession fears in 2023 for the US economy, market watchers are postulating a soft landing in 2024 with a slowing economy expected to lower CPI inflation.

In this environment of tightened monetary policy with world's central banks having unleashed steep increases of interest rates for the past two years, risks to the global economy are skewed to the downside as debt servicing costs rise for businesses and individuals. The world economy has lost momentum from high interest rates and invasion of Ukraine, and now faces renewed uncertainty over the Israel-Hamas conflict in the Middle East which could raise commodity prices further. GDP growth in the major economies is expected to taper gradually due to tight financial conditions before picking up alongside anticipated policy rate cuts later in the year. Against this backdrop, the IMF expects the global economy to grow by 3.2% in 2024, at a similar pace to the year before.

In Asia, China's slower than expected growth in 2023 was stemmed from weakened consumer and business confidence in the economy and corporate performance, in particular the property market amid high leverage and housing affordability pressures. The authorities' priorities to mitigate risks from the property sector, reduce local government debt and stabilise small-medium banks are part of their medium-term goals to prop up sentiment and domestic demand. Reflecting a strong post-COVID rebound, China's economy grew 5.2% in 2023; but is expected to slow to 4.6% in 2024 according to forecast by the IMF due to continuing weakness in the property market, local government fiscal constraints and subdued external demand. Meanwhile, Southeast Asian economies such as Malaysia, Thailand and Indonesia are poised to register higher economic growth from 2023 of 4.3%, 3.6% and 5.1% respectively in 2024 according to the IMF, driven by higher global export and tourism demand, and continuing growth in private consumption.

On the domestic front, as an open economy which is highly dependent on global trade and tourism, Singapore is exposed to downside risks in the global economy which remains significant. A slowdown in external export demand and manufacturing activity, coupled with inflationary pressures have dampened the growth projections of the city state with its full-year GDP growth coming in at 1.1% for 2023.

Despite the global uncertainties, there are pockets of resilience in Singapore's economy and the trade-related industries, as well as pharmaceutical, electronics, precision engineering and logistics sectors which are poised to expand. For 2024 as a whole, Singapore's growth is estimated at 1% to 3%, barring renewed shocks to the global economy.

3.2 Recent Government Measures, Policies & Initiatives

Singapore Economy 2030

Introduced in 2022, the Singapore Economy 2030 charts the path towards a vibrant economy with opportunities for enterprises and people by strengthening local businesses across four key pillars – services, manufacturing, trade and enterprises, with an aim to significantly grow Singapore's trade volumes by 2030 and help businesses attain better growth prospects amidst the global economic uncertainties and resource constraints. The Committee of Supply (COS) 2023 has focused its commitment to help businesses position themselves for growth by (1) helping firms to capture new growth opportunities in sustainability, (2) providing holistic and customisable programmes to promising local firms, and (3) strengthening innovation and digital capabilities in enterprises.

Budget 2024

Budget 2024 focuses on workforce development, skills training, promotion of Artificial Intelligence (AI) and sustainability to foster an innovative and vibrant economy. It aims to support Singaporeans and businesses in addressing immediate challenges while preparing for long-term sustained growth.

Notable initiatives include the Enterprise Support Package and the Enhanced Partnerships for Capability Transformation (PACT) scheme. The current partnerships for Capability Transformation (PACT) Scheme will be further enhanced to catalyse co-innovation and promote greater collaboration between various industries. It helps to align interests and partnerships between different components of the value chain and raise profiles and credentials of companies. The Enterprise Support Package is a new S$1.3 billion package comprising three main components to help businesses manage rising cost – (1) Corporate Income Tax (CIT) rebate, (2) Enhancements to the Enterprise Financing (EFS) and (3) the extension of SkillsFuture Enterprise Credit.

GST Increase

After a two-year delay in a planned 2 percentage point Goods and Services Tax (GST) increase which was first announced in 2018, Singapore's GST was raised from 7% to 8% from 1 January 2023, with a subsequent increase to 9% from 1 January 2024. This GST increment, which bring in about 0.7% of GDP in revenue annually when the full hike is in place in 2024, will go towards supporting healthcare expenditure and to take care of senior citizens and other areas of social spending. Though the increase of GST will undoubtedly increase cost pressures on all sectors including the industrial and logistics sectors, the government will assist in the mitigation of GST burden by offsetting a portion of cost increase incurred by businesses. The Progressive Wage Credit Scheme will help to co-fund the wage increases for low-wage workers. Payouts will be handed out to SMEs, especially those actively training their workers to enhance productivity. The Singapore government also aims to monitor inflation trends more closely and implement appropriate measures to alleviate cost pressures for businesses.

3.3 Overview of manufacturing and logistics sectors

3.3.1 Singapore's Logistics Sector

Singapore is highly regarded as a key global trading centre, bestowed with its strategic geographical location between the Far East and West regions of the world. With container throughput performance growing by 4.6% y-o-y to reach a record high of 39.0 million TEUs and total sales volume of conventional fuels and liquefied natural gas of about 51.82 million tonnes in 2023, Singapore remains one of the world's busiest container transhipment port and top bunkering port. The Port of Singapore also garnered a string of accolades for its performance last year as it was named the "Best Global Seaport" for the third consecutive year and the "Best Seaport in Asia" for the 35th time at the 2023 Asian Freight, Logistics and Supply Chain (AFLAS) Awards.

The Free Trade Agreements signed by Singapore's government with the various countries promote trade and lower cost of producing and bringing goods in and out of Singapore. Many multi-national corporations (MNCs) set up their regional headquarters and position Singapore as their strategic hubs, moving goods in and out of Singapore to Asia, Europe and the US. Leading international logistics firms, such as DHL, UPS, and DB Schenker, have made Singapore their regional headquarters, while MNCs such as GlaxoSmithKline and Unilever have located their regional supply chain management teams to the city-state.

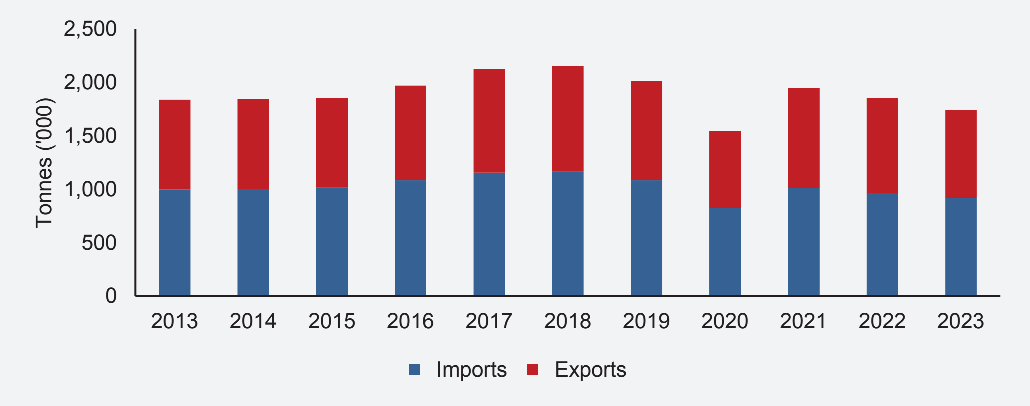
3.3.2 Performance Overview of Logistics Sector

Singapore handled over 592.0 million tonnes of containers over the course of 2023, 2.4% higher than the previous year (Exhibit 3-5). Conversely, air cargo handled posted a 6.1% y-o-y decline to 1,740 tonnes in 2023 (Exhibit 3-4).

Notwithstanding that both air and sea cargo trade volume lie below pre-pandemic performance, they remain at healthy levels with gradual recovery expected as more businesses step up their capacity and activities to provide more goods and services. In anticipation of greater demand for both supply chain and air travel volume, the Changi Airport Group (CAG) is strengthening its efforts to engage with its airline partners with the re-opened Terminal 2 and 4 in the second half of 2023 welcoming more flights. The Port of Singapore is also making progress in supplying alternative fuels to support maritime decarbonisation and remains a favoured location for bunkers.

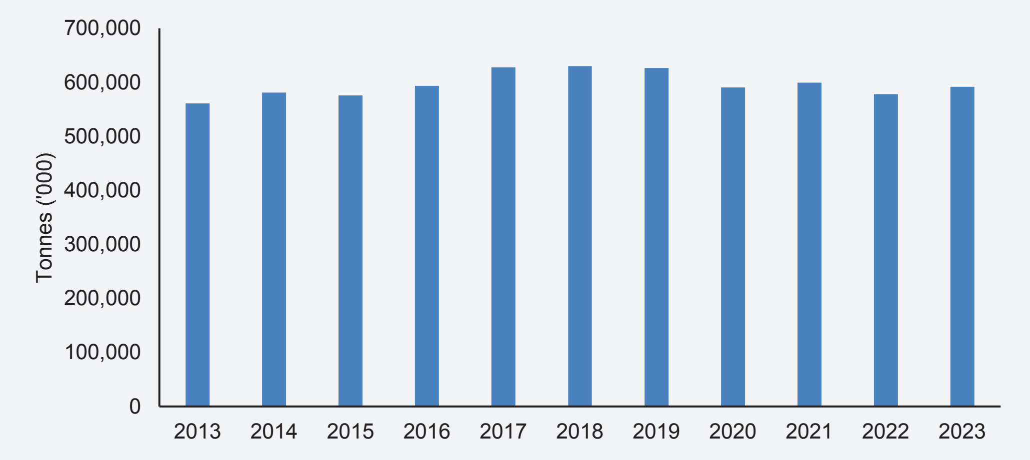
While the pandemic and geopolitical tensions have caused disruptions in supply chains that negatively impacted the manufacturing sector, it also increased demand for warehouse spaces in Singapore. The occupancy level for warehouse spaces reached 91.1% in Q1 2024 – a stable growth from 90.6% and 89.9% in Q4 2021 and Q4 2020 respectively which highlights the resilience of Singapore's logistics sector.

Exhibit 3-4: Air cargo handled in Singapore, 2013 to 2023



Source: Singstat, Knight Frank Consultancy

Exhibit 3-5: Sea cargo handled in Singapore, total cargo, 2013 to 2023



Source: Singstat, Knight Frank Consultancy

3.3.3 Logistics Industry Transformation Map

In November 2016, the Ministry of Trade and Industry launched a S$4.5 billion Industry Transformation Programme with roadmaps developed for 23 industries. With manufacturing being the largest component of Singapore's economy – making up 22% of the nation's GDP, and the logistics sector being a critical enabler for the flow of goods, a refresh of Industry Transformation Maps (ITMs) for five sectors from the Advanced Manufacturing & Trade cluster – Electronics, Precision Engineering, Energy & Chemicals, Aerospace and Logistics were announced in October 2022 to outline strategies to grow manufacturing value-added by 50% from 2020 to 2030.

In particular, the Logistics Industry Transformation Map (ITM) seeks to reinforce Singapore's position as a globally leading logistics hub through operations excellence and innovation, where companies build innovative capabilities to benefit from Asia's growth with the anticipated rise of consumption and manufacturing in the region.

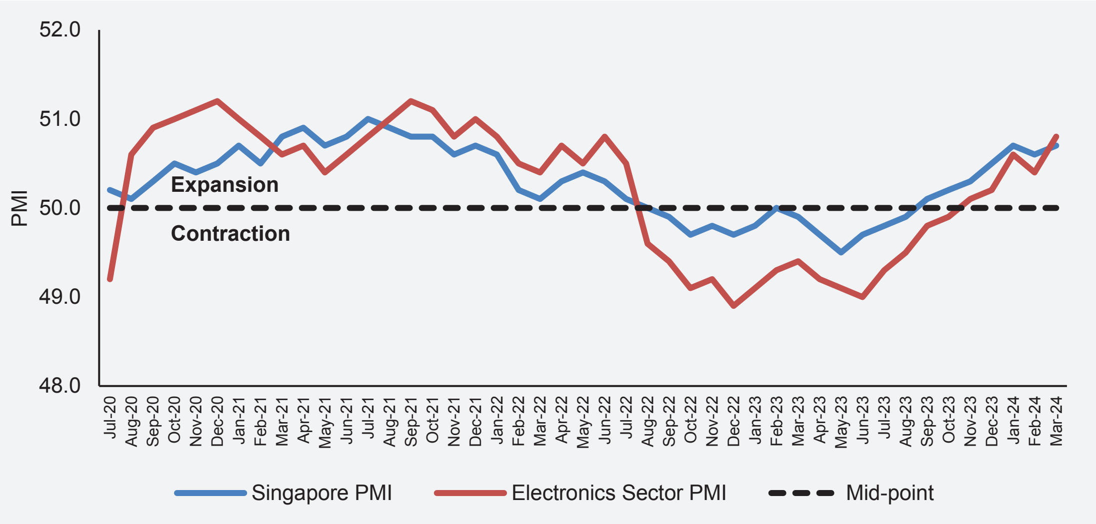
Key Strategies	Targets/Objectives
Attract new investments and transform warehouse operations	• Attract highly automated best-in-class warehouse operations. • By 2025, EDB and EnterpriseSG target to onboard 75 warehouses to the goDCE programme by the Centre of Innovation for Supply Chain Management (COI-SCM) at Republic Polytechnic which provides companies with an assessment of their warehouse processes, identifies gaps and propose productivity and innovation solutions.
Create quality jobs; focus on job redesign	• Launched in November 2021, the Logistics Jobs Transformation Map identified emerging skills for the industry to enable Singapore's workforce to take on in-demand roles in technology and data analytics. • The Government will partner with institutions, training providers, industry players and trade associations to support the training of workers in these new roles.
Digitalise the sector to drive productivity initiatives	• Government agencies will work with stakeholders to help companies digitalise, improve productivity and enable 40% of small and micro firms adopt at least one digital solution by 2025.
Support companies' internationalisation efforts	• The Government will support companies in seizing new opportunities and expanding their global footprint by various means such as creating local and overseas internships or tapping on EnterpriseSG's Global Ready Talent Programme.

Source: EDB, Knight Frank Consultancy

3.3.4 Performance Overview of Manufacturing Sector

Based on the Singapore Institute of Purchasing and Materials Management (SIPMM) statistics, despite the recessionary pressures amid the pandemic, the Purchasing Managers Index (PMI) registered healthy expansion (PMI > 50) for 26 consecutive months – from July 2020 to August 2022, before contracting for 12 consecutive months – from September 2022 to August 2023 due to shrinkage in manufacturing activity amid global economic headwinds and rising material costs (Exhibit 3-6). The PMI has since registered healthy expansion for the last seven months between September 2023 to March 2024, buoyed by returning demand for electronics as the Electronics Sector PMI moved into expansionary territory from November 2023.

Exhibit 3-6: Purchasing Managers' Index, July 2020 to March 2024



Source: SIPMM, Knight Frank Consultancy

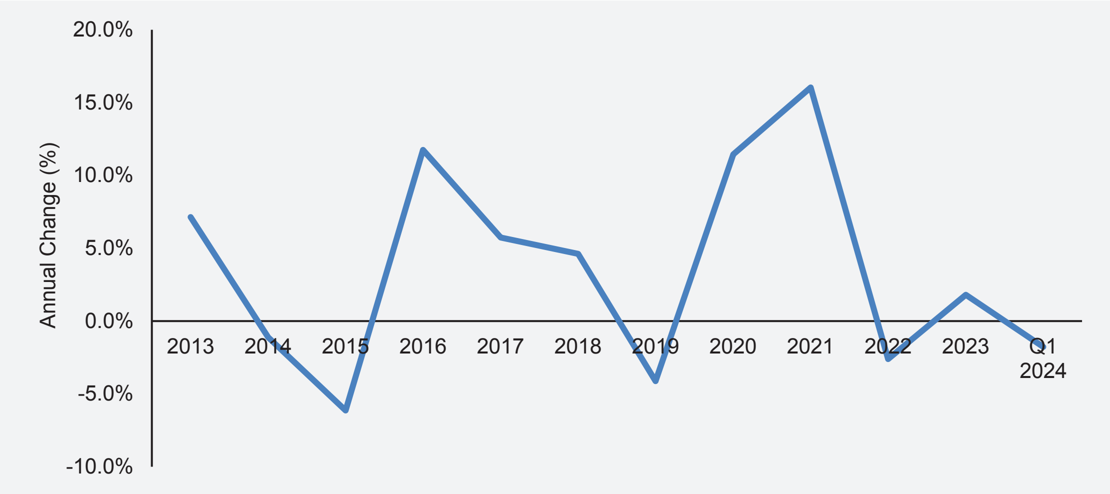
Based on the Index of Industrial Production from the Department of Statistics, manufacturing output declined compared to a year ago as Singapore's industrial production contracted 1.8% y-o-y in Q1 2024 (Exhibit 3-7).

Lower levels of production were dragged down by the Biomedical Manufacturing and the linchpin Electronics clusters which experienced contraction in output of -16.7% and -1.8% respectively. The volatile Biomedical Manufacturing cluster's decline was mainly attributed to the steep 26.9% decline in Pharmaceuticals on account of a different mix of active pharmaceutical ingredients being produced compared to a year ago. Industry clusters which registered expansions include the Transport Engineering, Chemicals and Precision Engineering clusters which grew 13.4%, 6.6% and 4.7% respectively. The Transport Engineering cluster's high growth rate was largely buoyed by higher level of activities in the shipyards, increased production in oil & gas field equipment, and higher demand for aircraft parts with more maintenance, repair and overhaul (MRO) jobs from commercial airlines on the back of increased global air traffic.

While companies continue to experience slowing demand for manufactured goods amid the continued supply chain challenges and operational cost pressures, overall business sentiment in the manufacturing sector is expected to be cautiously optimistic in 2024 with the recovery of China – the biggest buyer of chips and petrochemicals globally. Singapore's electronic and precision engineering clusters were identified as bright spots backed by strong semiconductor demand, arising from the growing need for cloud services and the emerging 5G market.

Additionally, as Singapore is in the process of forging new trades initiatives in progressive domains such as data and Information Technology (IT), demand for IT equipment and more electronic components will arise from the proliferation of advanced technologies such as Artificial Intelligence (AI) and the Internet of Things (IoT).

Exhibit 3-7: Singapore Index of Industrial Production, 2013 to Q1 2024



Note: 2013 to 2023 are as at Q4 of each year.
Source: Singstat, Knight Frank Consultancy

3.4 Government Initiatives relating to manufacturing sector

3.4.1 Manufacturing 2030

The COVID-19 pandemic underscored the importance of the manufacturing sector in Singapore as one of the nation's most crucial growth pillars. "Manufacturing 2030" was announced by MTI in January 2021, whereby the government plans to grow Singapore's manufacturing sector by 50% of its current value ($106 billion), while maintaining its current share of circa 20% of the nation's total GDP. The plan involves attracting frontier companies with specialised capabilities which enable Singapore to secure a niche in global value chains. To do so, the government would continue to invest in the manufacturing ecosystem, with the Jurong Innovation District (JID) being one of the key masterplan initiatives. Strong emphasis has also been placed on research and innovation – under the Research, Innovation and Enterprise (RIE) 2025 plan, $25 billion was set aside for manufacturing-related research. Additionally, to build up on the resilience of our economy and the supply chains, the government aims to strengthen stockpiling strategies and diversification of import sources of essential items, food, and local production. Good quality warehouses and temperature-controlled facilities are poised to be in higher demand. In 2022, Singapore's manufacturing value-add grew by more than 15% from 2020 with the sector receiving a record $17 billion in total Fixed Asset Investment, which is expected to create over 4,600 jobs over the next five years.

3.4.2 New Advanced Manufacturing Training Academy (AMTA)

Jointly initiated by the Agency for Science, Technology and Research (A*STAR), the new AMTA, which was launched in October 2020, seeks to boost the competitiveness of Singapore's flourishing manufacturing sector, by enhancing the workforce's emerging skills and knowledge in light of the technological shifts in the manufacturing field. As one of the Centres of Innovation, it will be governed by a training council which will work towards providing courses to help equip talents with value-added capabilities in the advanced manufacturing field.

3.4.3 Talent Development Initiatives to increase Supply Chain Management Workforce

With Singapore emerging as a manufacturing hub with 700 new professional, manager, executive, and technician (PMET) job openings within the supply chain management (SCM) industry by 2025, the EDB, SkillsFuture Singapore (SSG) and Workforce Singapore (WSG) launched new continuing education, training, and skills development initiatives in July 2023 to develop, attract and retain talent in the field.

New training initiatives include:

- a pilot Supply Chain Masterclass that began in Q3 2023,
- an Industry Practice Master programme by the Singapore Management University (SMU) Academy,
- a Graduate Diploma in Logistics and Supply Chain Management by the Singapore University of Social Sciences (SUSS),
- SkillsFuture Career Transition Programme (SCTP) in Digital Supply Chain by the Singapore Institute of Technology (SIT),
- a revamped work-study diploma (WSDip) in Logistics and Supply Chain Management by the Institute of Technical Education (ITE), and
- a Career Conversion Programme (CCP) for supply chain and logistics professionals and coordinators.

3.4.4 Refreshed Industry Transformation Maps (ITMs)

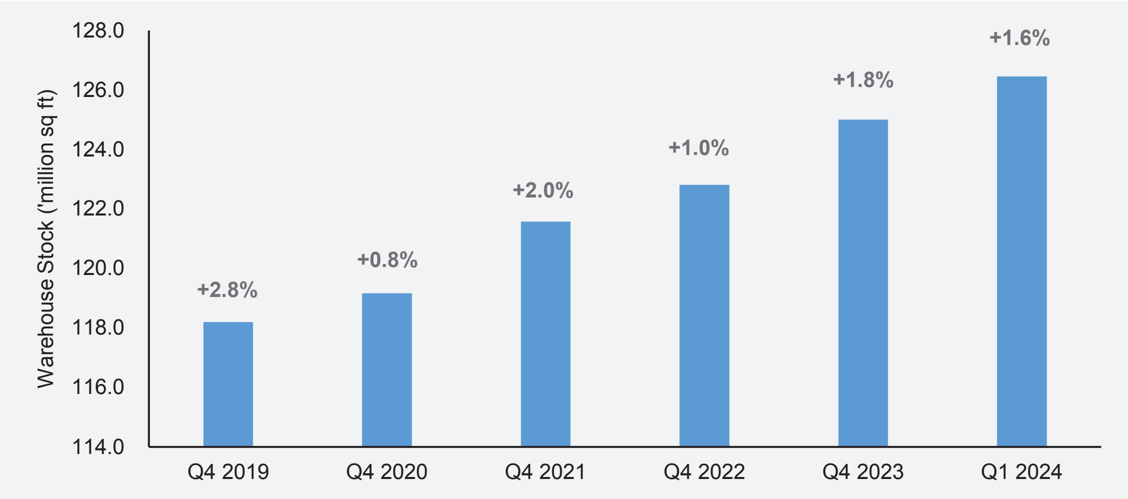
In October 2022, Singapore's Deputy Prime Minister Heng Swee Kiat unveiled refreshed Industry Transformation Maps (ITMs) for five advanced manufacturing and trade sectors (electronics, precision engineering, energy and chemicals, aerospace, and logistics) to uplift companies in Singapore and create at least 13,400 new jobs. Through these refreshed ITMs, the MTI seeks to ensure workers have the relevant tech and sustainability skills to take on roles in emerging areas such as additive manufacturing and robotics for the precision engineering and aerospace sectors, artificial intelligence for the electronics sector, digitalisation for the logistics sector, and process engineering for sustainable products in the energy and chemicals sector. Under the refreshed Food Manufacturing ITM, companies are encouraged to seize emerging opportunities in growth areas such as sustainability and alternative proteins as Singapore has seen an increase in vulnerabilities because of fluctuations in food supply and prices brought on by the pandemic, supply chain disruptions and energy crisis.

4 ANALYSIS OF SINGAPORE WAREHOUSE PROPERTY MARKET

4.1 Warehouse stock

Singapore's warehouse property landscape is undergoing transformation in terms of scale, location and prominence to support the growing logistics sector. Singapore's warehouse spaces comprises both public and private stock. The public warehouse spaces are owned by Jurong Town Corporation (JTC), whereas the private warehouse spaces are owned by REITs, listed companies and other private entities. As at Q1 2024, the total island-wide stock of public and private warehouse property space has grown by 1.6% y-o-y to reach 126.5 million sq ft, accounting for 22.2% of total industrial stock.

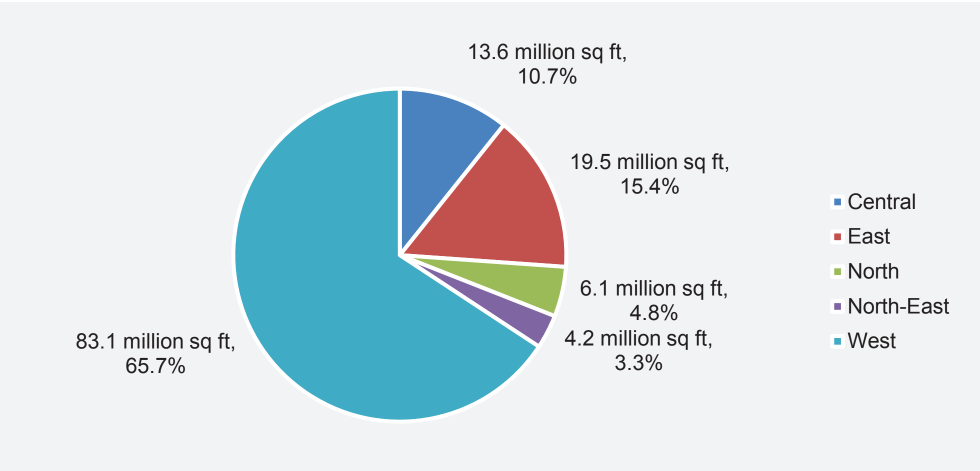
Exhibit 4-1: Total Islandwide Warehouse stock, Q4 2019 to Q1 2024



Note: Y-o-y growth are as labelled above.
Source: JTC, Knight Frank Consultancy

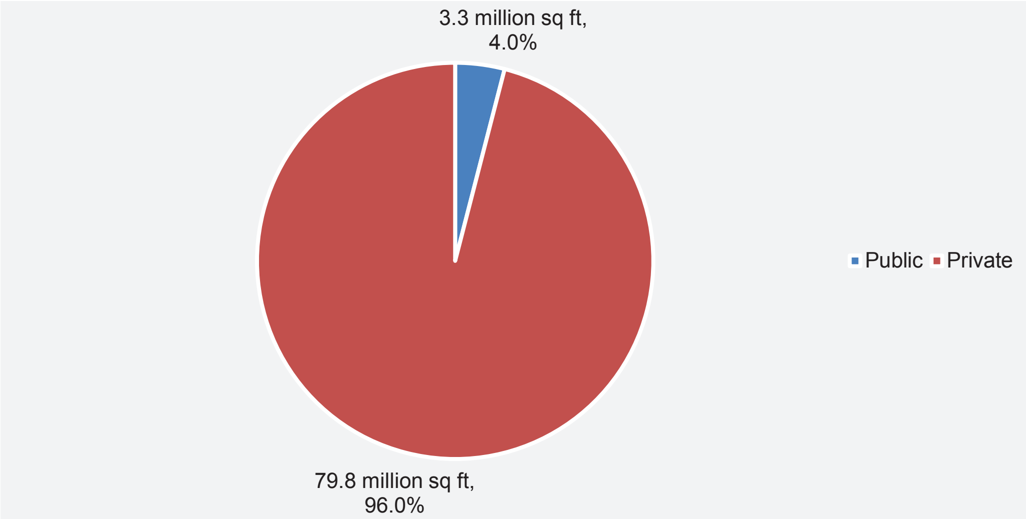
Constituting 65.7% of overall warehouse stock, approximately 83.1 million sq ft of private and public warehouse spaces were in the West Region (Exhibit 4-2), mainly in the Jurong area and in the vicinity of the future Tuas Mega Port. About 96.0% of total warehouse stock in the West Region are private warehouse spaces (Exhibit 4-3).

Exhibit 4-2: Warehouse stock (public and private) by Region (Q1 2024)



Source: JTC, Knight Frank Consultancy

Exhibit 4-3: Total warehouse stock in the West, by public and private ownership (Q1 2024)



Source: JTC, Knight Frank Consultancy

4.2 Notable Completions

Over 3.9 million sq ft GFA of new warehouse space was added from 2023 to Q1 2024, with the full completion of over 8 warehouse properties located in the West Region.

Exhibit 4-4: Notable Warehouse spaces completed in 2023 to Q1 2024

Name of Building	Address	Developer	Project GFA (sq ft)	Total accumulated GFA granted TOP (sq t)	Period of Completion	Secured Occupiers
2PS1	2 Pioneer Sector 1	Soilbuild Business Space REIT	757,025	757,025	Q1 2023	FMCG, e-commerce and 3PL industries
12 Penjuru Lane	12 Penjuru Lane	ACW Holdings Pte Ltd	487,282	487,282	Q1 2023	ACW Holdings
32 Penjuru Lane	32 Penjuru Lane	Soon Bee Huat Trading Pte Ltd	261,778	261,778	Q1 2023	Soon Bee Huat, Eastbourne Chemical Industry
Fairprice Group Fresh Food Distribution Centre	7 Sunview Road	NTUC FairPrice Co-operative Ltd	752,720	752,720	Q2 2023	FairPrice
20 Tampines Industrial Avenue	20 Tampines Industrial Avenue	Silicon Box Pte Ltd	786,733	786,733	Q3 2023	Silicon Box
77 Tampines Industrial Avenue 5	77 Tampines Industrial Avenue 5	Siltronic Silicon Wafer Pte Ltd	1,591,443	1,591,443	Q4 2023	Siltronic Singapore
LOGOS Ehub	4 Pandan Crescent	LOGOS Property	1,290,269	1,290,269	Q1 2024	e-commerce, FMCG and 3PL industries
4 Benoi Crescent	4 Benoi Crescent	ESR SG Real Estate 1 Pte Ltd	694,164	694,164	Q1 2024	POKKA Logistics Singapore Pte. Ltd.

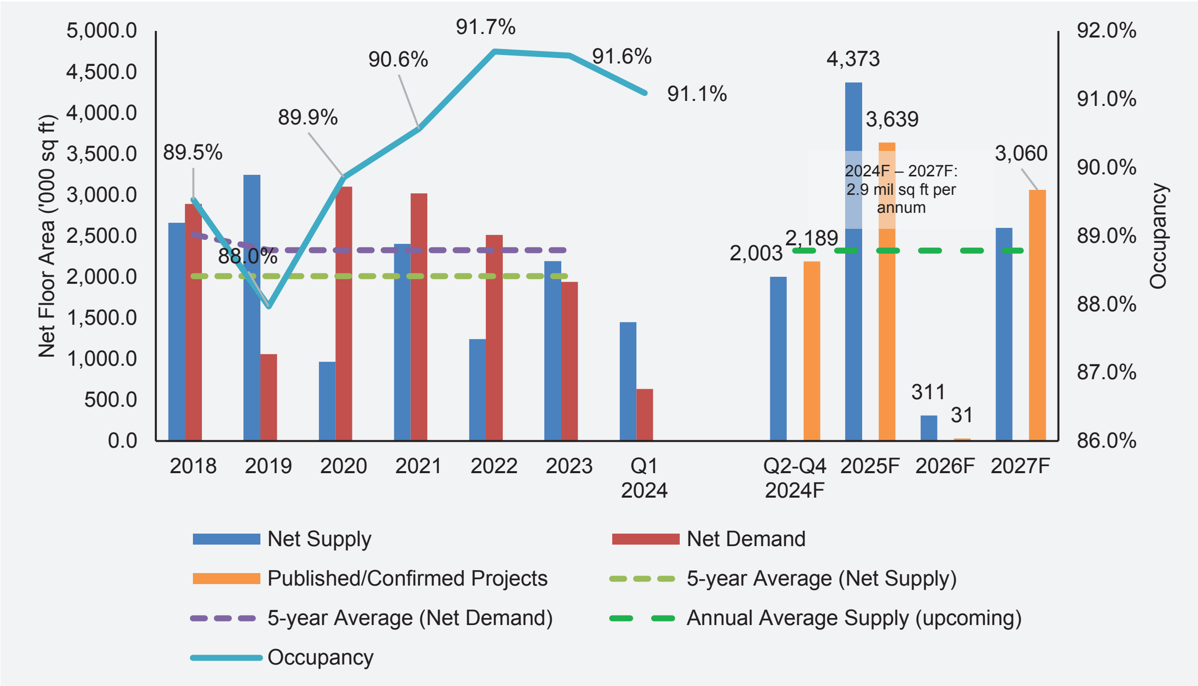
Note: The above table included partially completed warehouse spaces, according to JTC J-Space.
Source: JTC, Knight Frank Consultancy

4.3 Net demand, net supply and occupancy

Attributed to the limited completion of new facilities, the demand for quality warehouse space remained strong in 2023, whereby the net new annual demand is on par with the net annual supply. The robust demand is further unpinned by the persistently strong demand for logistics and storage facilities, arising from the expanding e-commerce sector and regional trade. Despite the slight drop in occupancy to 91.1% in Q1 2024, overall occupancy hovered above 90% for the twelve consecutive quarters, exceeding pre-pandemic levels.

Looking ahead, considering persistent inflation and prospect of higher-for-longer interest rate trend, some logistics players could be looking to secure additional warehouse space in advance to hedge against future rise in business costs and to build inventory resilience to any supply chain disruption. In addition, these players could also cater to a further expansion of e-commerce as consumers turn to online purchase for value buys in an inflationary environment, contributing to a potential increase in domestic demand for logistics services and thereon the need for more warehousing space and last-mile distribution centres. This is also envisaged to provide near-term support for both rentals and occupancy levels for warehouse spaces.

Exhibit 4-5: Net demand, net supply, occupancy of warehouse and upcoming supply, 2018 to 2027F



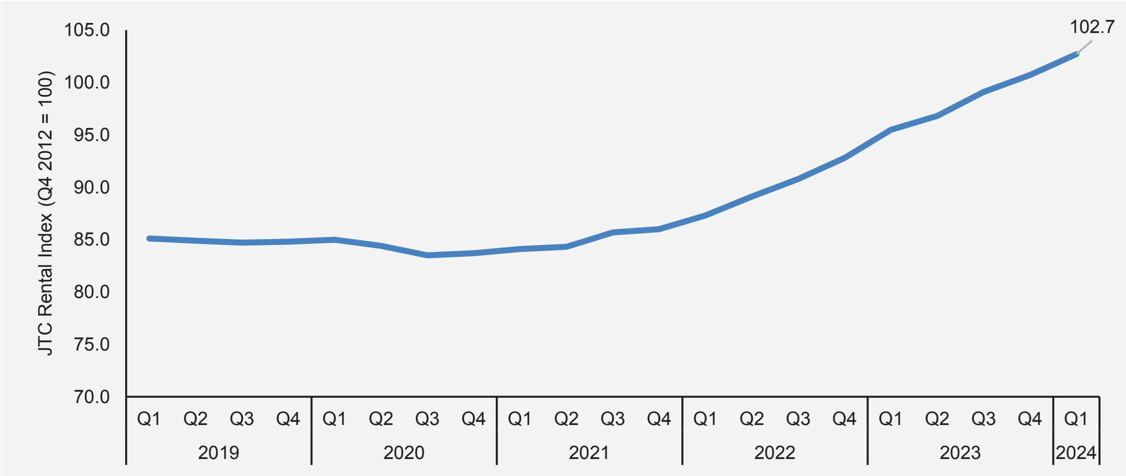
Source: JTC, Knight Frank Consultancy

Note: Note: The total net warehouse supply published by JTC captures all upcoming supply, including projects smaller than 7,000 sqm (75,347 sq ft). JTC also publishes a detailed list of upcoming projects which are greater than 7,000 sqm (75,347 sq ft). The release of such information is subject to the developer's consent; project details not directly obtained from the developers will not be published. As such, details of certain projects (such as the year of TOP) might not be disclosed publicly, leading to the difference between "Net Supply" and "Published/Confirmed Projects". GFA is converted to NLA at 85% efficiency factor.

4.4 Rents

This resilient demand contributed to positive performance for the rental market, with the JTC Rental Index for Warehouses exhibiting an upward trajectory since Q4 2020, where a considerable growth of 7.5% year-on-year (y-o-y) was attained in Q1 2024 (Exhibit 4-6). Despite the slowdown of investment sales of logistics facilities in Singapore and in APAC as a whole, rents for warehouses exhibited resilience and stability, highlighting the demand for warehouse spaces by occupiers and end-users.

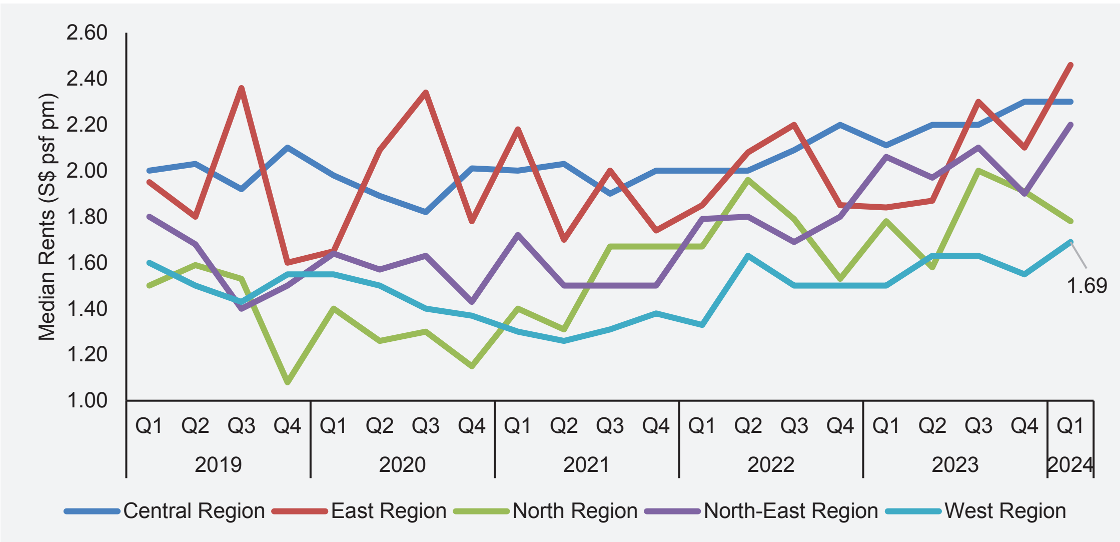
Exhibit 4-6: Rental index of warehouse space (2019 to Q1 2024)



Source: JTC, Knight Frank Consultancy

The median rents of warehouse spaces in the Central and East regions consistently hovered above the other regions, owing to their connectivity to the rest of the island and proximity to the Changi Airport. Though the median rents of the West Region were lower than the other regions, rental movements picked up since Q2 2023 and it is currently at its highest level since Q2 2022, having recorded 12.7% y-o-y increase to S$1.69 psf pm in Q1 2024 (Exhibit 4-7).

Exhibit 4-7: Median rents of warehouse spaces across regions (2018 to Q1 2024)



Source: JTC, Knight Frank Consultancy

4.5 Upcoming supply

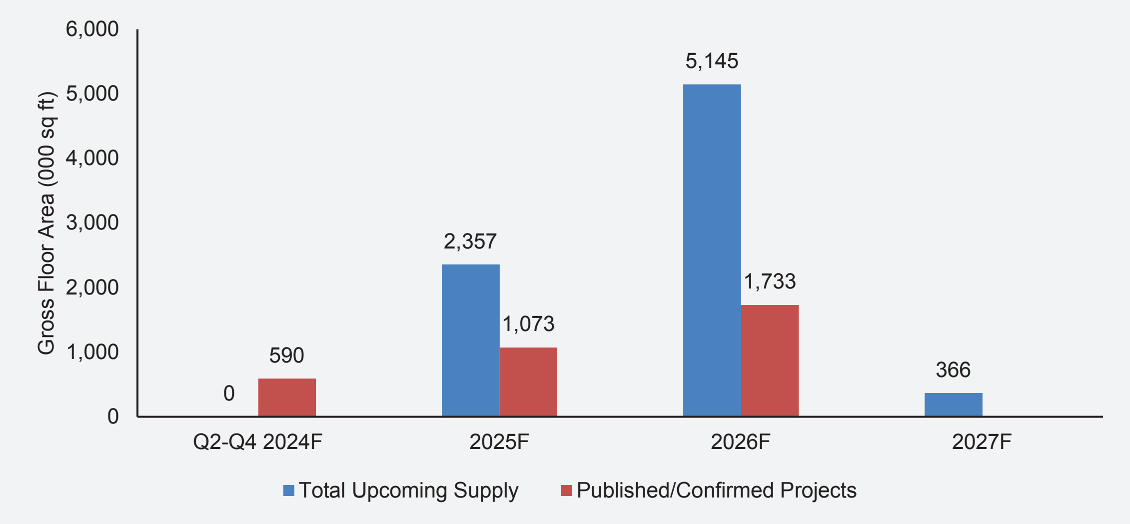
Over 10.9 million sq ft GFA of warehouse space is slated for completion from Q2 2024 to 2027, translating to an annual addition of over 2.9 million sq ft GFA, higher than the four-year annual average of circa 2.0 million sq ft GFA from 2020 to 2023. This is attributed to the pandemic-led delays in the completion of new warehouses, which have been pushed to 2024 and beyond. Prominent warehouse spaces slated for completion in 2024 include the redevelopment of 51 Benoi Road by Mapletree Logistics Trust (877,668 sq ft GFA), and a warehouse development at Greenwich Drive by Schenker Singapore Pte Ltd. In the near term, a handful of warehouse developments within the Tuas Planning Area are expected to be completed, including the superscale warehouse by PSA Corporation Limited (2.5 million sq ft), and a 636,357 sq ft GFA warehouse by Boustead. Over 80% of the upcoming warehouses are located within the West Region, in view of the proximity to Tuas Mega Port.

Exhibit 4-8: **Selected major upcoming warehouse developments**

Project Name	Street Name	Name of Developer	Total Uncompleted GFA (sq ft)	Expected Year of Completion
51 Benoi Road	Benoi Road	Mapletree Logistics Trust	877,668	2024
Warehouse Development at Greenwich Drive	Greenwich Drive	Schenker Singapore Pte. Ltd.	653,191	2024
Warehouse Development at Jalan Besut	Jalan Besut	Commonwealth Kajima Development (Logistics) Pte Ltd	505,954	2025
Single-user Industrial Development at Jalan Besut	Jalan Besut	Chasen Logistics Services Limited	331,123	2025
Single-user Industrial Development at Benoi Sector	Benoi Sector	TL Development (WDG) Pte. Ltd.	1,104,490	2025
Warehouse Development at Tuas Road	Tuas Road	Boustead Trustees Pte Ltd	636,357	2025
Warehouse Development at Tukang Innovation Drive	Tukang Innovation Drive	Logos Pacv Propco Pte Ltd	713,705	2025
Warehouse Development at Tuas Avenue 13	Tuas Avenue 13	Sankyu Singapore Pte Ltd	396,325	2027
Warehouse Development at Tuas South Avenue 5	Tuas South Avenue 5	PSA Corporation Limited	2,514,320	2027

Source: JTC, Knight Frank Consultancy

Exhibit 4-9: Upcoming supply of warehouse spaces, GFA (Q2 2024 to 2027F)



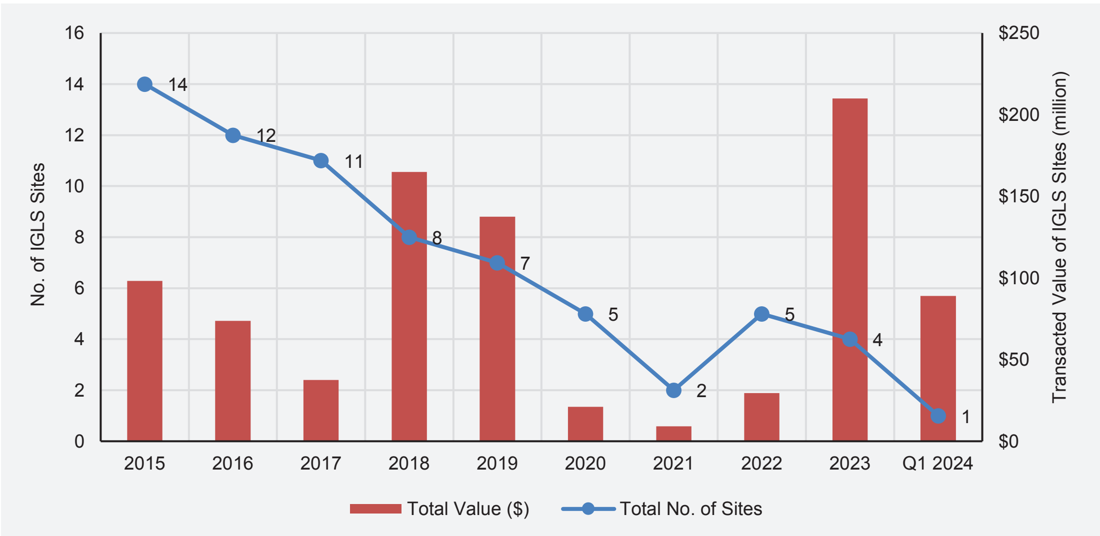
Source: JTC, Knight Frank Consultancy

4.6 Land Prices

4.6.1 Industrial Government Land Sales (IGLS)

A total of 69 industrial land parcels, comprising mainly Business 1 (B1) and Business 2 (B2) spaces were sold from 2015 to Q1 2024 under the Industrial Government land Sales (IGLS) programme. 2015 marked the year with the highest number of industrial land parcels sold. Though only three parcels were sold in 2023, the total value amounted to almost S$210 million, the highest combined value of IGLS land sites sold in a year. This is attributed to the sale of two large parcels at Tampines North Drive 4, which totalled almost 1 million sq ft GFA. Plot 1 (496,000 sq ft) and Plot 7 (546,400 sq ft GFA) were sold to Soilbuild Group Holdings Ltd and Soon Hock Property Development Pte Ltd, respectively. These two parcels were the largest sites awarded by JTC in the last five years. To control industrial land supply to ensure sustainable occupancy trend and take-up by industrial end-users, the volume of IGLS sites launched has been tightly controlled to less than five sites per year.

Exhibit 4-10: Volume and value of IGLS sites awarded, 2015 to Q1 2024



Source: JTC, Knight Frank Consultancy

The majority of the industrial sites released for sale were located in the West Region, due to the significant industrial agglomeration in the vicinity of Jurong, Boon Lay and Tuas precincts. In the recent two years, JTC launched some sites at the East Region – at Tampines North, near the IKEA Tampines cluster. Out of the 69 IGLS transactions recorded over the past eight years, twelve sites were sold on 30-year leasehold tenure. The remaining 57 sites were sold on 20-year leasehold tenure.

Exhibit 4-11: Number of IGLS sites sold by region, 2015 to Q1 2024

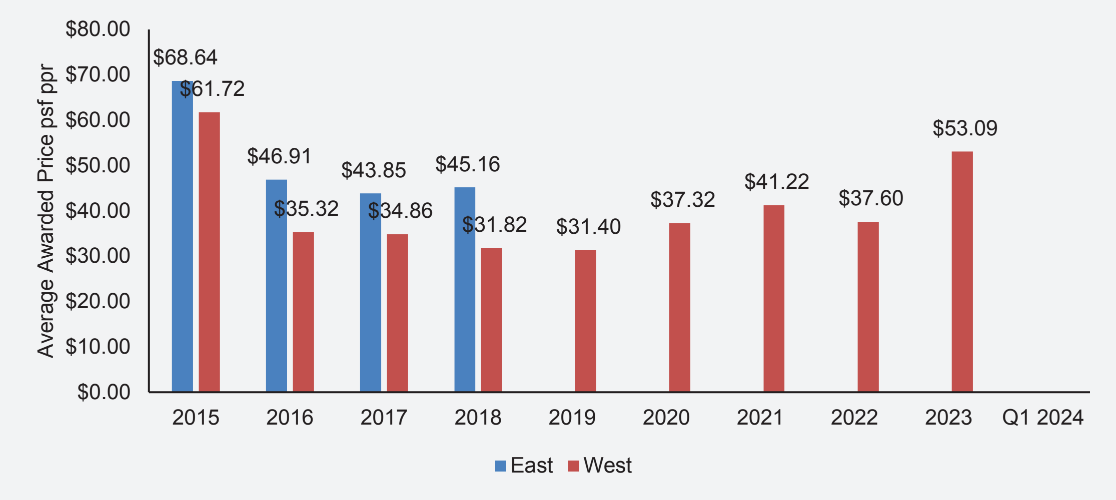
	East	West	Central	North-east	North	Total No. of Sites
2015	6	8	0	0	0	**14**
2016	4	7	0	0	1	**12**
2017	2	8	0	0	1	**11**
2018	1	6	1	0	0	**8**
2019	0	3	0	0	4	**7**
2020	0	5	0	0	0	**5**
2021	0	2	0	0	0	**2**
2022	1	3	0	0	1	**5**
2023	2	1	0	0	1	**4**
Q1 2024	0	1	0	0	0	**1**
Total for each Region	**16**	**44**	**1**	**0**	**8**	**69**

Source: JTC, Knight Frank Consultancy

Based on the award prices of 20-year leasehold IGLS sites in 2015 to 2018, it was observed that the parcels located in eastern Singapore recorded an average of 27.9% price premium over the western region IGLS sites. There were no eastern 20-year leasehold IGLS sites released for sale since 2019. Western IGLS sites registered notable price growth since 2019, with 10.5% y-o-y increase in 2021 (Exhibit 4-12), which could be attributed to the growing interests in industrial assets in the West. As at Q3 2023, two IGLS sites were launched for sale, both of which are 30-year leasehold sites.

30-year leasehold IGLS sites are relatively less common in 2020 to 2021 but were relaunched to the market in 2022. The average price for the 30-year leasehold IGLS plots located in the West ranged between \$52.31 psf ppr and \$120.00 psf ppr. Exceptionally high price of \$208.43 psf ppr was recorded in 2023, for a land plot located in the East, along Tampines North Drive 4. This is a rare 30-year leasehold B2 site with a large land area of 218,569 sq ft and plot ratio of 2.5.

Exhibit 4-12: Average unit transacted price of 20-year leasehold IGLS sites in East and West Regions, by tenure, 2015 to Q1 2024

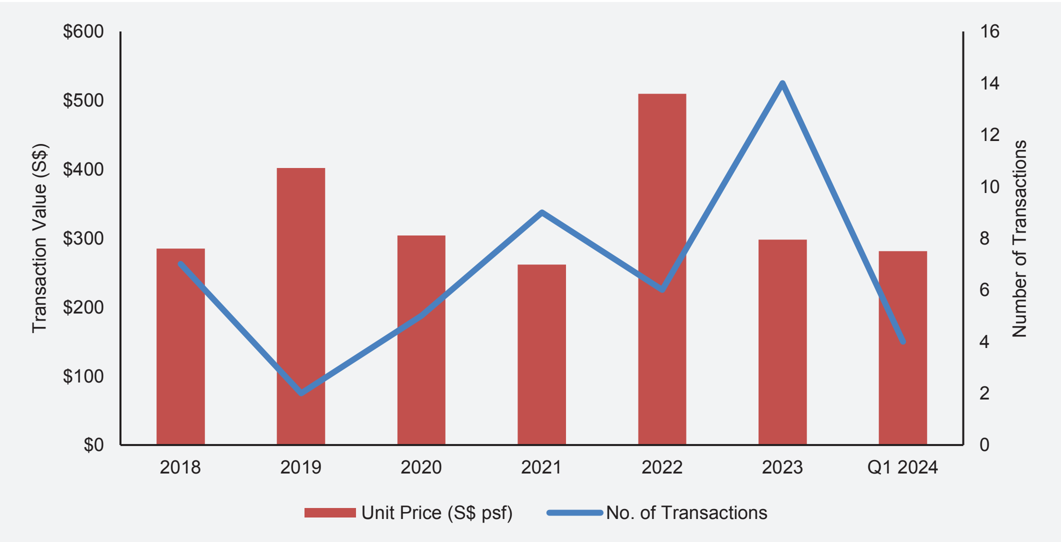


Source: JTC, Knight Frank Consultancy

4.6.2 Warehouse Transactions

The investment sales market of private (non-JTC owned) warehouses picked up in 2021, where nine properties changed hands. The warehouse transaction market was active in 2022, where six properties changed hands, including the Enterprise Logistics Centre owned by Far East Organization. The high unit prices recorded in 2022 were attributed to the freehold warehouse properties in Sindo Industrial Estate, located along Tagore Lane. The transaction deals further increased to 14 in 2023, including the five warehouse properties divested by ESR-LOGOS REIT – 6 Chin Bee Avenue, 4 & 6 Clementi Loop, 3 Pioneer Sector 3, 30 Toh Guan Road and 21 Changi North Way (Exhibit 4-13).

Exhibit 4-13: Number of transactions and unit price[1] of warehouses, 2018 to Q1 2024



Note:
1. *Unit prices are adjusted to freehold equivalent basis*

Source: JTC, Knight Frank Consultancy

Exhibit 4-14: Notable warehouse and high-specification industrial property transactions, 2017 to Q1 2024

Building Name	Address	Transacted Price (S$)	GFA	NLA	Transacted Unit Price	Transacted Unit Price (44-year remaining lease term basis)	Transaction Date	Lease Tenure (Remaining Lease Tenure as at Year of Transaction)	Estimated NPI Yield/Cap Rate (On Purchase Price unless stated)	Buyer	Seller	Ramp Up Facility	Estimated Age of Building as at year of transaction
			(sq ft)	(sq ft)	S$ psf	S$ psf							
8 Tuas South Lane	8 Tuas South Lane	$95 million	781,125	739,814	$128 on NLA	$140 on NLA	Oct-17	30+16 years LH (36 years)	6.95%	ESR-REIT	Hyflux Membrane Manufacturing Pte Ltd	No	6
Ceva Logistics Centre	15 Greenwich Drive	$86.2 million	462,223	453,006	$ 190 on NLA	$254 on NLA	Apr -18	30 years LH (24 years)	N.A.	ESR-REIT	Tampines Distrihub Pte Ltd	Yes	3
CWT Logistics Hub 3	52 Tanjong Penjuru	$179 million	846,303	849,250	$ 210 on NLA	$246 on NLA	Jul-18	30+10 years LH (31 years)	6.20%	Mapletree Logistics Trust	CWT Pte Ltd	Yes	7
CWT Logistics Hub 1	38 Tanjong Penjuru	$75 million	375,230	347,271	$ 216 on NLA	$252 on NLA	Jul-18	30+14 years (31 years)	6.20%	Mapletree Logistics Trust	CWT Pte Ltd	Yes	11
CWT Jurong East Logistics Centre	5A Toh Guan Road East	$115 million	600,301	566,095	$203 on NLA	$271 on NLA	Jul-18	30+21 years LH (24 years)	6.20%	Mapletree Logistics Trust	CWT Pte Ltd	Yes	4
CWT Pandan Logistics Centre	4 Pandan Avenue	$117 million	638,777	585,556	$200 on NLA	$183 on NLA	Jul-18	30+30 years LH (56 years)	6.20%	Mapletree Logistics Trust	CWT Pte Ltd	Yes	3
18 Tai Seng	18 Tai Seng Street	$268.3 million	443,810	384,212	$698 on NLA	$911 on NLA	Feb-19	30 years LH (25 years)	6.80%	Mapletree Industrial Trust	Mapletree Investments Pte Ltd	No	3
121 Banyan Drive	121 Banyan Drive	$227.5 million	707,877	N/A	$321 on GFA	$300 on GFA	Feb-19	30+30 years LH (53 years)	6.70%	Invesco Real Estate	SGRE Banyan Pte. Ltd (Vibrant Group)	Yes	6
Poh Tiong Choon Logistics Hub	48 Pandan Road	$225 million	1,093,415	1,009,578	$223 on NLA	$297 on NLA	Aug-19	(24 years)	N/A	PTC Logistics Hub LLP (JV between ESR-REIT and Poh Tiong Choon Logistics Limited)	Poh Tiong Choon Logistics Limited	Yes	1

Building Name	Address	Transacted Price (S$)	GFA	NLA	Transacted Unit Price	Transacted Unit Price (44-year remaining lease term basis)	Transaction Date	Lease Tenure (Remaining Lease Tenure as at Year of Transaction)	Estimated NPI Yield/Cap Rate (On Purchase Price unless stated)	Buyer	Seller	Ramp Up Facility	Estimated Age of Building as at year of transaction
			(sq ft)	(sq ft)	S$ psf	S$ psf							
Big Box	1 Venture Avenue	$118 million	1,405,032	1,000,000	$118 on NLA	$201 on NLA	Dec-20	30 years LH (16 years)	N/A	Primero Investment Holding, HPRY Holdings (Perennial Group)	TT International, Prima Group, Utraco Group (SG)	No	6
7 Bulim Street	7 Bulim Street	$129.6 million	733,990	733,990	$177 on NLA	$247 on NLA	Aug-20	30 years LH (22 years)	7.07%	AIMS APAC REIT	Titan (Wenya) Pte. Ltd.	Yes	5
Global Trade Logistics Centre	46A Tanjong Penjuru	$112.0 million	524,120	530,551	$211 on NLA	$255 on NLA	Jun-21	30+14 years LH (29 years)	5.96%	ESR-REIT	Montview Investments Pte Ltd	Yes	13
9 Changi South Street 2	9 Changi South Street 2	$24.5 million	123,849	111,589	$220 on NLA	$249 on NLA	Jul-21	30+30 years LH (33 years)	6.20%	Mapletree Logistics Trust	Al Futtaim Real Estate	Yes	23
Bukit Batok Connection	2 Bukit Batok Street 23	$93.8 million	403,591	377,776	$248 on NLA	$357 on NLA	Jan-22	30 years LH (21 years)	N/A	DWS & Hines	Soilbuild Business Space Reit	Yes	10
30 Woodlands Loop	30 Woodlands Loop	$13.2 million	89,300	N/A	$148 on GFA	$168 on GFA	Mar-22	60 years LH (33 years)	N/A	Yeo Eng Koon (S) Pte Ltd	Advanced Holdings Ltd	No	24
UE Bizhub Central	12 Ang Mo Kio Street 64	$55 million	388,000	N/A	$142 on GFA	$194 on GFA	Mar-22	53 years LH (23 years)	N/A	Apple	United Engineers	No	18
POKKA Warehouse	4 Benoi Crescent	$139 million	694,164	N/A	$200 on GFA	$256 on GFA	Apr-22	30+30 years LH (26 years)	6.5 - 7% yield on cost	ESR-REIT, PGIM	Undisclosed	No	32
Victory Centre	110 Lorong 23 Geylang	$90 million	170,000	N/A	$529 on GFA	$505 on GFA	Jun-22	60 years LH (50 years)	N/A	LaSalle Investment Management	Fragrance Group	Yes	7
Food Empire Building	31 Harrison Road	$49.25 million	51,766	N/A	$951 on GFA	$677 on GFA	Jun-22	Freehold	N/A	Lian Beng Group	Food Empire Holdings	No	22
Pandan Logistics Hub	49 Pandan Road	$43.5 million	331,055	303,410	$143 on NLA	$235 on NLA	Jul-22	30 years LH (17 years)	N/A	ST Logistics	ESR-LOGOS REIT	Yes	10
Philips APAC Center	622 Lorong 1 Toa Payoh	$104.8 million	408,597	310,710	$337 on NLA	$485 on NLA	Aug-22	(21 years)	7.20%	A-REIT	Undisclosed	No	6

Building Name	Address	Transacted Price (S$)	GFA (sq ft)	NLA (sq ft)	Transacted Unit Price S$ psf	Transacted Unit Price (44-year remaining lease term basis) S$ psf	Transaction Date	Lease Tenure (Remaining Lease Tenure as at Year of Transaction)	Estimated NPI Yield/Cap Rate (On Purchase Price unless stated)	Buyer	Seller	Ramp Up Facility	Estimated Age of Building as at year of transaction
1 Buroh Lane	1 Buroh Lane	$191.9 million	645,533	600,534	$320 on NLA	$460 on NLA	Sep-2022	30 years LH (21 years)	7.00%	A-REIT	PGIM	Yes	6
Enterprise Logistics Centre	2 Tuas View Place	$120.6 million	407,750	327,000	$369 on NLA	$418 on NLA	Nov-2022	60 years LH (33 years)	4.25%	Intex Development Company	Far East Organization	Yes	15
6 Chin Bee Avenue	6 Chin Bee Avenue	$93.0 million	324,166	324,116	$287 on NLA	$413 on NLA	Jun-2023	30 years LH (20.5 years)	Undisclosed	Undisclosed	ESR-LOGOS REIT	Yes	7
4 & 6 Clementi Loop	4 & 6 Clementi Loop	$37.6 million	300,920	247,793	$152 on NLA	$180 on NLA	Jun-2023	60 years LH (30.4 years)	Undisclosed	Undisclosed	ESR-LOGOS REIT	No	26 (original) & 10 (Annex)
3 Pioneer Sector 3	3 Pioneer Sector 3	$95.0 million	716,510	645,534	$147 on NLA	$184 on NLA	Jun-2023	60 years LH (27.6 years)	Undisclosed	Undisclosed	ESR-LOGOS REIT	Yes	27 (block 1) & 8 (block 2)
30 Toh Guan Road	30 Toh Guan Road	$57.8 million	332,001	286,515	$202 on NLA	$232 on NLA	Jun-2023	60 years LH (32.3 years)	Undisclosed	Undisclosed	ESR-LOGOS REIT	No	26 (original) & 11 (A&A)
21 Changi North Way	21 Changi North Way	$30.1 million	196,990	196,990	$153 on NLA	$251 on NLA	Jun-2023	30 years LH (17.1 years)	Undisclosed	Undisclosed	ESR-LOGOS REIT	Yes	12
245 Jalan Ahmad Ibrahim	245 Jalan Ahmad Ibrahim	$18.0 million	79,987	N/A	$228 on GFA	$290 on GFA	Aug-2023	82.22 LH (26 years)	Undisclosed	Rejoice Container Services (Pte) Ltd	Sintex Nylon and Cotton Products (Pte.) Limited	No	Over 30
10 Tuas Avenue 13	10 Tuas Avenue 13	$11.11 million	145,000	N/A	$77 on GFA	$150 on GFA	Jul-2023	54 years LH (13 years)	Undisclosed	Undisclosed	Mapletree Logistics Trust	No	16
29 Tuas Avenue 11	29 Tuas Avenue 11	$11.0 million	142,784	N/A	$77 on GFA	$160 on GFA	Oct-2023	16 years LH (12 years)	Undisclosed	Undisclosed	Undisclosed	No	30
9 Pioneer View	9 Pioneer View	$58.5 million	322,809	N/A	$181 on GFA	$248 on GFA	Nov-2023	30 years LH (23 years)	Undisclosed	Undisclosed	Undisclosed	No	6
73 Tuas South Avenue 1	73 Tuas South Avenue 1	$16.8 million	118,048	118,048	$142 on NLA	$161 on NLA	Jan-2024	60 years LH (33 years)	Undisclosed	Undisclosed	Mapletree Logistics Trust	No	22
Toh Tuck Logispark	7 Toh Tuck Link	$25.0 million	140,250	N/A	$178 on GFA	$202 on GFA	Mar-2024	60 years LH (33 years)	Undisclosed	Undisclosed	Undisclosed	No	25
14 Jalan Kilang Barat	14 Jalan Kilang Barat	$16.0 million	26,700	26,700	$599 on NLA	$652 on NLA	May-2024	99 years LH (36 years)	Undisclosed	Undisclosed	Undisclosed	No	14
Kian Ann Building	7 Changi South Lane	$63.0 million	410,180	N/A	$154 on NLA	$174 on NLA	Jun-2023	60 years LH (33 years)	Undisclosed	Undisclosed	Undisclosed	No	27

Source: JTC, ESR-LOGOS REIT, Various sources (including company press releases), Knight Frank Consultancy
Note: Transacted Price excludes upfront land premium.

4.7 Outlook

Singapore hosts a strategic position in the region for post-pandemic manufacturing

While Singapore's manufacturing output had rebounded strongly in 2021 and 2022, growth has moderated since the first half of 2023 – weighed down largely by output contractions in the electronics and precision engineering clusters amid the global electronics downturn and macroeconomic headwinds in the external environment. Russia's invasion of Ukraine and the Israel-Hamas war elevated geopolitical risks, and this is envisaged to heighten uncertainties in the oil and commodity markets in the near term. Yet, the market is witnessing avenues of activities from the global economic growth momentum, coupled with prospects of a stronger global trade backdrop and post-COVID-19 endemic recovery in 2024. Despite Singapore's manufacturing sector being impacted by competitive external forces, e-commerce players and third-party logistics (3PL) companies remain keen to secure high-quality spaces by opting to renew their leases in the face of ongoing supply constraints and consequent accumulation of pent-up demand for warehouse and logistics stock.

Healthy demand expected for Grade A warehouse space

Looking beyond the near-term risks, the policymakers' quest to establish Singapore as a growing trade and logistics hub with a wider diversity of supply chain networks forges a promising fundamental for the warehouse property market. Against the backdrop of government's continuing efforts in industrial transformation and new investments into manufacturing, Knight Frank envisages growth in the industrial sector to continue in the near term for the next three to four quarters. Investment activity is likely to be driven by end-users looking for manufacturing facilities, as well as Grade A warehouses boosting high-quality specifications which can facilitate growing supply chain demand.

For the logistics sector, the rapid rise of the e-commerce industry altered consumer buying expectations, propelled market growth and created new ecosystems to power digital commerce and expand supply chains and logistics services. Customers want goods to be delivered fast and at attractive prices. The higher demands on delivery service providers challenge the traditional freight and logistics sector to evolve - from bulk freight to smaller and on-demand last mile delivery. Innovation in orders fulfilment, delivery models, and value-added services are expected to reshape the last-mile delivery segment, which is gaining greater emphasis from more industries such as food & beverage, fast-moving consumer goods, pharmaceutical and healthcare. Major logistics industry players across the value chain are progressing on operational efficiencies, with investments in technology adoption. Benefitting from the envisaged demand for more warehousing options and with good quality building specifications, the warehousing property market is expected to transform significantly with process automation due to the rise of cross-border e-commerce and increasing demand for integrated supply chain solutions, particularly from third party logistics players.

Amid the confluence of macro-market volatility and domestic-centric factors, occupancy levels and rents of warehouse and logistics spaces in Singapore are projected to remain steady despite the uncertain times. Despite the moderation in overall industrial performance in 2023, Singapore remains a compelling destination for regional headquarters, supply chain and high-value manufacturing activities. The anticipated global tech cycle rebound and the steady stream of investment commitment inflows into Singapore will continue to generate value and provide support for manufacturing and thereon logistics activities. There have been initial indications of moderating declines of exports and could return to growth territory from the second half of 2024, while weakness in certain major economies such as China could have possibly bottomed.

Concerns of recession risk amid an elevated interest rate environment is likely abated by the full normalisation of consumer spending, travel and business activities to and above pre-pandemic levels in the year ahead. Signs of robust activities from a wider spectrum of economic sectors – chemicals, transport engineering, healthcare, clean energy, tourism and hospitality, food & beverage and wholesale trade activities are anticipated to propel greater movement of goods and services. As a major transhipment centre, coupled with the progressive completion of Tuas Mega Port and the introduction of new high quality warehousing space, the outlook for the logistics sector for 2024 is expected to be healthy. Barring unforeseen circumstances, Knight Frank forecasts moderate rental growth of around 3% to 5% for warehouse properties, especially for modern and good quality warehouse spaces.

PART 2 – OVERVIEW OF SUBJECT ASSET

5 PERFORMANCE OVERVIEW OF ASSET

5.1 Asset profile

Located at 20 Tuas South Avenue 14 in the West Region, the subject asset occupies a total land area of about 2.7 million sq ft (Exhibit 5-1). The subject asset comprises two components – the existing compound occupied by REC Solar, and the LOGOS Tuas Logistics Hub which was recently completed (Exhibit 5-3). This industrial facility is situated on a land area of 2.7 million sq ft, which has a remaining land tenure of approximately 44 years (as at 26 July 2024). REC Solar is an international and pioneering solar energy company headquartered in Singapore. According to the Client, the LOGOS Tuas Logistics Hub is currently 99.7% occupied.

Exhibit 5-1: Key Information on subject asset

Key Parameters	Details/Remarks
Address	20 Tuas South Avenue 14, Singapore 637312
Land Area	2.7 million sq ft
Net Lettable Area	• REC Solar Pte Ltd – 151,812 sqm (1,634,089 sq ft) o Comprising 150,250 sqm (1,617,276 sq ft) in the REC facility and 1,562 sqm (16,813 sq ft) in Phase 1 of LOGOS Tuas Logistics Hub • LOGOS Tuas Logistics Hub a. Phase 1: 73,998 sqm (796,504 sq ft) b. Phase 2: 22,815 sqm (245,578 sq ft) • Total Net Lettable Area: 247,063 sqm (2,659,359 sq ft)
Property Completion	• REC Solar: 2009 • LOGOS Tuas Logistics Hub Phase 1: Full TOP in July 2022 • LOGOS Tuas Logistics Hub Phase 2: Full TOP in December 2022
Current Tenant Profile	• The REC facility is solely occupied by the master tenant - REC Solar Pte Ltd • The newly-completed LOGOS Tuas Logistics Hub is multi-let – tenant profile is elaborated in Exhibit 5-2 and Section 5.4.

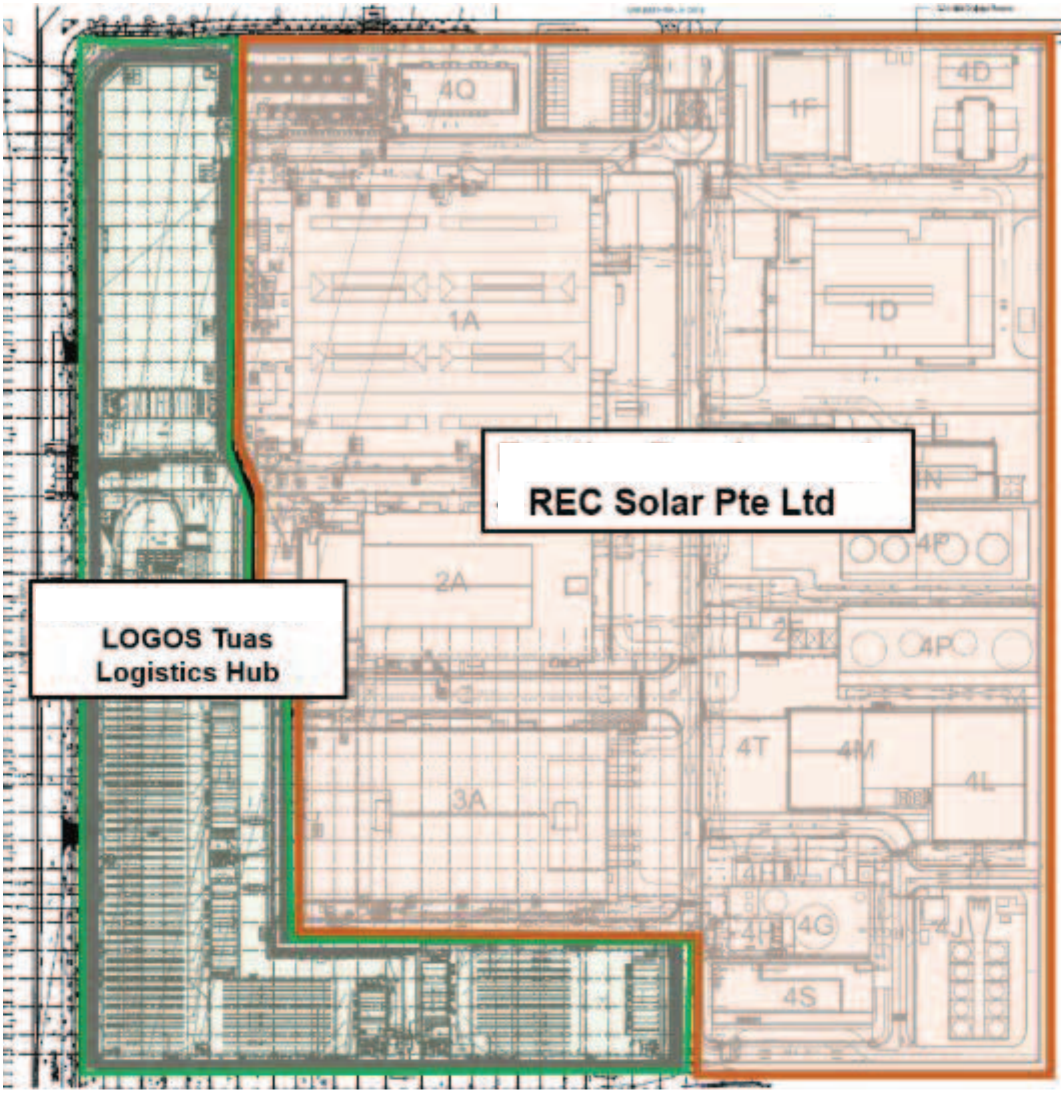
Source: ESR-LOGOS REIT, Knight Frank Consultancy

Exhibit 5-2: Profile of Selected Tenants of LOGOS Tuas Logistics Hub

Tenants	Net Floor Area (NFA)
Schneider Electric Asia Pte. Ltd.	21,120 sqm (227,334 sq ft)
Schenker Singapore (Pte) Ltd.	20,612 sqm (221,866 sq ft)
Maersk Logistics & Services Singapore Pte. Ltd.	12,418 sqm (133,666 sq ft)
DSV Solutions Pte. Ltd.	3,482 sqm (37,480 sq ft)
SF Tuas Pte. Ltd.	13,859 sqm (149,174 sq ft)

Source: ESR-LOGOS REIT

Exhibit 5-3: Site plan of subject asset



Source: ESR-LOGOS REIT

5.2 SWOT analysis

The subject asset and location present a gamut of strengths and opportunities. The SWOT evaluation also includes prevailing limitations, which require gestation time for the Tuas precinct to gain market prominence as a key logistics hub when Tuas Mega Port and new transport infrastructure are complete (Exhibit 5-4).

Exhibit 5-4: SWOT Analysis of subject asset

Strengths	Limitations

• Seated atop a large and regular land parcel, the subject asset contains **efficient design** - enabling **large warehousing space floor plates** and design of supporting logistics infrastructure, such as ramps, driveways and vehicular circulation.
• **Transport infrastructure is new and well-constructed**:
  ○ Seamless road connectivity from Tuas West to the subject asset
  ○ Extended MRT East-West Line to Tuas Link MRT station, providing faster feeder bus commuting time from nearest MRT station to subject asset
• **Growing industrial landscape** in Tuas South with emergence of new industrial and logistics developments, bringing vibrancy and agglomeration of industry trades in the precinct.
• **Long-term double-net lease to anchor tenant (REC)** – The double-net lease structure is largely favourable to the landlord as the tenant takes on operating expenses, taxes and capital expenditure. This significantly reduced the threats of rising operating expenses and property taxes on the landlord, providing stability in net operation income. The land was leased back to REC on a long-term lease structure, till 21 June 2038.
	• Subject asset is located at the southern end of Tuas, leading to **long commuting time** from other parts of Singapore to Tuas South:
	  ○ 12-min drive from nearest MRT station (EW32 Tuas West Road) to subject site
	  ○ 30-min drive from nearest residential cluster – Jurong West.
	• **Current entrenched preference of end-users** for warehouses in other areas closer to Central Region or the Eastern end of Singapore, due to proximity to the airport.
	• **Limited amenities** in the vicinity
	  ○ Besides the in-house F&B offerings available at the subject asset, Tuas South is served by just a handful of other F&B outlets.
	  ○ The nearest shopping mall is Jurong Point, which is 25-min drive from the subject asset.

Opportunities	**Threats**
• **Tuas Mega Port** ○ Termed as the Next Generation Port, Tuas Mega Port is planned to be an intelligent, sustainable and green port, incorporating automation and digitalisation to enhance its overall efficiency and productivity. Intelligent control systems will be adopted for vessel traffic predictions and route planning (Appendix 7-1).	• As Tuas South gets increasingly developed and recognised on a global scale, there could be **an influx of more warehouse developments** and hence heightened competition. However, this is unquantifiable at this point as Tuas South is still in the developmental stage, where only the first half of the port is completed and operational – the second half is slated for completion in 2029.

○ Come 2040s, all existing container port terminals in Singapore will be consolidated at Tuas Mega Port - expected to be the world's largest fully automated terminal in a single location with the ability to handle 65 million TEUs, keeping Singapore's competitiveness in the maritime sector. As at July 2024, second phase of Tuas Mega Port is completed and in operations. • **Upcoming amenities** to support the workforce following the phased completion of Tuas Mega Port, enhancing the overall vibrancy of the area. • **Transport infrastructure** will be further improved with the upcoming Jurong Region Line (JRL), which will open in three stages starting 2026: ○ The JRL stations are expected to put over 60,000 households at western Singapore within 10-min walk from a train station, largely enhancing the connectivity to the MRT stations serving Tuas. ○ Various government initiatives supporting the industrial and energy sectors would spur market vibrancy and demand for warehousing space from these sectors.	• The **completion timeline** of Tuas Mega Port could be impacted by unexpected events in the longer-term unforeseeable future. • In light of the development of Tuas Mega Port, there are a handful of other warehouses slated for completion in the next four years, they serve as potential competitions for tenants once the subject site's tenancy runs out.

Source: Knight Frank Consultancy

5.3 Competitive Analysis of Western Singapore

5.3.1 IGLS Land Supply

There was higher industrial land supply available for tender in the West before the COVID-19 pandemic. Out of the 43 IGLS land parcels awarded from 2017 to Q1 2024, around 15 are located within the Tuas South area. The Tuas South IGLS sites were all released prior to 2020, of which there were no Tuas South IGLS land parcels available for tender from 2020 to 2H 2024, implying tapering of future completed supply of industrial properties beyond 2024 Most Tuas South IGLS sites received a handful of tenderers, highlighting fair interest of companies in establishing a presence in the Tuas precinct.

From the IGLS programme for the second half of 2024, there will be five sites on the Confirmed List and five sites on the Reserve List. Out of the ten land parcels, one 30-year leasehold B2 industrial plot is located within the Tuas Precinct.

More land parcels in Tuas South are expected to be released for tender by JTC beyond 2024, to prepare for future demand alongside the phased opening of the Tuas Mega Port.

Exhibit 5-5: Selected Tuas South IGLS Sites, 2018 to 2019

Year of Award	Location	Tenure	Land Area (sq ft)	Successful Tender	Successful Tender Price	Price psf per plot ratio ($psf ppr)
2019	Plot 19, Tuas South Link 3	20-Years Leasehold	47,921	Asia Metal Engineering & Trading Pte Ltd	$2.1 million	$33.33
2019	Plot 20, Tuas South Link 3	20-Years Leasehold	47,967	Transmare-Chemie (S) Pte Ltd	$2.05 million	$30.53
2019	Plot 27, Tuas South Link 3	20-Years Leasehold	64,081	L.S. Construction Pte Ltd	$2.88 million	$32.10
2018	Plot 13, Tuas South Link 1	30-Years Leasehold	259,728	Yee Lee Development Pte Ltd	$26.8 million	$51.59
2018	Plot 18, Tuas Sout Link 3	20-Years Leasehold	46,284	LNT Coating Pte Ltd	$2.04 million	$31.45
2018	Plot 23, Tuas South Link 3	20-Years Leasehold	67,560	Bonco Enterprise Pte Ltd	$2.79 million	$29.54
2018	Plot 16, Tuas South Link 3	20-Years Leasehold	53,745	Soilbuild Construction Group Ltd	$2.63 million	$35.00

Source: JTC, Knight Frank Consultancy

5.3.2 Competitive analysis for the Tuas Locale

The competitive landscape of good quality warehouse spaces is observed to be limited in the Tuas South locale over the past five years. The establishment and agglomeration of heavy and specialist industries in product manufacturing, shipping and marine, precision engineering, construction, pharmaceuticals, biotechnology, utilities and petrochemicals and new industrial clusters creates a diversified industrial built environment in the Tuas South locale. Consequently, most industrial properties in this locale are factories, shipyards, specialised storage facilities, as well as processing, utility and chemical plants and new industrial hubs for biomedical and chemicals trades – located at Tuas Biomedical Park, JTC Chemicals Hub and Singapore Lube Park.

Warehouse spaces in the Tuas South and Tuas West locales are mainly purpose-built for end-user industrialists, with approximately over 10 notable multiple-user warehouse properties (Exhibit 5-6).

Exhibit 5-6: Notable multiple-user warehouse properties in Tuas South / Tuas West

S/N	Property	Location	Owner / Landlord
1	2 Tuas South Link 1	2 Tuas South Link 1	LOGOS Property
2	71 Tuas South Avenue 1	71 Tuas South Avenue 1	LOGOS Property
3	West Star	11 Tuas Bay Close	ZACD Group
4	10 to 40 Tuas	10 – 40 Tuas	LHN Group
5	51 Tuas View Link	51 Tuas View Link	Far East Organization
6	The Index	110 Tuas South Avenue 3	Far East Organization
7	The Westcom	1 Tuas South Avenue 6	Far East Organization
8	10 Tuas South Street 1	10 Tuas South Street 1	Pacific Logistics Group
9	Liner @ Tuas	1 Tuas Bay Close	Soilbuild Group Holdings Ltd

S/N	Property	Location	Owner / Landlord
10	Pan Asia Logistics	93 Tuas Bay Drive	Pan Asia Logistics
11	LOGOS Food21	21 Tuas West Drive	LOGOS Property
12	Tee Hai Chemical Logistics Warehouse	15 Tuas Link 1	Tee Hai Chem Pte Ltd
13	30 Tuas West Road	30 Tuas West Road	AIMS APAC REIT Management Limited

Note: Notable warehouse properties are of a minimum size of 10,000 sq ft GFA and above.
Source: Knight Frank Consultancy

The past one year saw the completion of two new warehouse properties in western Singapore, one of which is the subject asset – LOGOS Tuas Logistics Hub, and the other property is located in Jurong West. The IGLS sales of seven land parcels at Tuas South from 2018 to 2019 period has introduced mainly single-user factories into the precinct, some of which have been completed in 2023.

Latest prominent warehouse properties in Tuas South will therefore be chiefly contributed by the subject Asset (i.e., LOGOS Tuas Logistics Hub), with no other known warehouses to be completed by 2024.

5.4 Tenant and Lease Information

5.4.1 Weighted Average Lease Expiry (WALE) by Committed NLA

According to the lease information from the Client, asset WALE (including REC Solar) based on the respective date of commencement of leases is approximately 11 years (as at 26 July 2024).

5.4.2 End-user trade categories

The existing tenants of the subject asset are in the electronics manufacturing, energy, and logistics industries.

Exhibit 5-7: Profile of existing tenants

REC Solar Pte Ltd	• REC Solar is an international and pioneering solar energy company headquartered in Singapore. • Majority of its production and research and design (R&D) of high-efficiency silicon photovoltaic (PV) cells are completed in the full-integrated manufacturing and warehouse facility here in Singapore. • REC TwinPeak Panel boasts world-record energy output and design/layout options which are not available in other conventional modules, making it a consistently popular choice for US residential PV installations. • To support Singapore's transition to renewable energy sources while ensuring energy security and reliability, the island state has been working on strengthening its regional and international collaboration in clean energy and related initiatives. • The presence of REC Solar presents a valuable opportunity for Singapore to attract a larger pool of renewable energy-related investments in the future. • Competing brands offering similarly high efficiency and quality include LG, Silfab and Trina Solar.
Schneider Electric Asia Pte Ltd	• Schneider Electric, a French multinational company, is one of the market leaders in the field of digital transformation of energy management and automation. • Opened in March 2018, its East Asia and Japan headquarter is situated in Singapore. Singapore provides the company with a regional platform to serve Southeast Asia's diverse markets. • Schneider Electric has received various awards and honorable titles, such as being named as one of Fortune's 2021 World's Most Admired Companies, for the fourth consecutive year. • Also known as the Schneider Electric's Innovation Hub of Singapore, the headquarter reaffirms the company's commitment to Asia as key markets for its businesses, and signified growth opportunities that they see in the region.
Schenker Singapore (Pte) Ltd	• Schenker Singapore (Pte) Ltd is a wholly owned subsidiary of DB Schenker, one of the industry leaders in global logistics and supply chain management. • DB Schenker's Lead Logistics products and services encompasses the 4PLs, Freight Management and other leading solutions to create optimized and customized logistics services for the customers. • It has committed to over 200,000 sq ft of space at the subject asset, which will likely serve as its one of its largest warehouse and distribution centres in the western region of Singapore, for cargo transported to Singapore via sea freight.

Maersk Logistics & Services Singapore	• Maersk is a provider of integrated transport and logistics services. As one of the largest supply chain management companies in Singapore, the A.P. Moller-Maersk Group's Gross Revenue/Turnover is ranked Top 50 in A&A's Top 50 Global 3PLs. • The Group provides global integrated transport and logistics solutions, offering innovative supply chain solutions, financial solutions and pioneering digital innovations to improve on efficiency and customer satisfaction.
DSV Solutions Pte. Ltd.	• Founded in Denmark in 1976, DSV is a global transport and logistics company which provides supply chain solution. DSV has offices and facilities in more than 80 countries - following the acquisition of Uti in 2016, DSV's Singapore office was set up in September 2016. • In 2022, DSV was ranked third in A&A's Top 25 Global Freight Forwarders List – ranked by Gross Logistics Revenue/Turnover and Freight Forwarding Volumes.
SF Tuas Pte. Ltd.	• SF is a leading provider of cold storage logistics in Asia, through carbon-free LNG cold waste energy. It builds and operates a network of cold storage facilities which serve North and Southeast Asia, providing critical food and health infrastructure to these markets. Leveraging on patented decarbonization technology, the company provides high quality sustainable and efficient cold chain solutions to the food and pharmaceutical industries.

Source: Online sources, Knight Frank Consultancy

Performance of REC Solar Panels

Solar panel efficiency is a measurement of a solar panel's ability to convert sunlight for usable electricity, with most solar panels with 15% to 20% efficiency ratio. High efficiency solar panels can exceed 22% efficiency, but most photovoltaic (PV) panels have efficiency ratio lower than 20%. REC's Alpha series is around 21% to 22% efficient. To date, REC has over 600 utility and design patents, of which 446 were granted and the remaining are under evaluation.

REC's Alpha range of solar modules are recognised as among industry leaders in efficiency, reliability and long guaranteed life. According to various clean energy-related web sources, REC's Alpha range of solar panels was ranked Top 10 for its overall efficiency. Clean Energy Reviews ranked REC's Alpha Series second globally, based on assessment of company history, quality, real-world performance, warrant conditions, service and feedback from solar industry professionals. Besides Clean Energy Review, REC's Alpha Series was similarly highly ranked by The Eco Exports, EcoWatch and Energy Sage.

In 2021, it was announced that REC Group was acquired by Reliance, a multinational conglomerate company. This reflects confidence of investors for the company growth plans of REC Group. With over 25 years of history, REC Group has consistently set new standards and introduced numerous innovations in the solar PV industry. The Group has always had a strong focus on R&D, now coupled with Reliance's world-class innovation, scale and operational excellence, will further accelerate path breaking tech developments and new products in the future. With Reliance Group's financial strength and commitment, REC is set to grow 5 Gigawatt of capacity within the new few years in Singapore, Europe and USA. The combination of highly efficient solar panels and economies of scale of production will allow REC's premium products to reach more countries and consumers, at an affordable price.

5.4.3 Passing rents vis-à-vis market rents

Based on available information as at 25 June 2024, the existing committed tenants of the LOGOS Tuas Logistics Hub signed at starting rents up to $2.06 psf pm. According to Knight Frank's data and online listings, the asking rents of good quality warehouse and logistics spaces within the Tuas South precinct typically range from $1.80 to $2.00 psf pm in current market conditions. Specialised warehouses which allow the storage of chemicals and flammable goods are able to command high rents of approximately low to mid-$2 psf pm.

6 SINGAPORE GOVERNMENT INITIATIVES FOR SPECIFIC INDUSTRY CLUSTERS

6.1 Energy Sector

As climate change remains a global and pressing threat to all nations including Singapore, it is vital to balance energy security with affordability and sustainability. Singapore aims to strengthen its regional and international collaboration in clean energy, in order to support the nation's transition to renewable energy sources while ensuring energy security and reliability.

Besides using natural gas as a key fuel source, Singapore aims to scale up on the utilisation of clean and renewable energy sources like solar energy, tapping into regional power grids and exploring low-carbon alternatives. Singapore is one of the solar-dense cities in the world. - According to Energy Market Authority (EMA), grid-connected installed capacity increased from 126.0 MWp in 2016 to 1005.7 MWp in the first half of 2023, of which Singapore is on track to meet 1.5 GWp of solar deployment by 2025, and at least 2 GWp by 2030.

Potential growth of clean energy field and collaborative efforts with the market leaders

There are various additional moves to push for the use of renewable energy both locally and regionally, to enable the development of a regional power grid which can accelerate the growth of cross-border electricity trading. The growth of regional grid represents opportunities across the renewable energy value chain, value-adding to our current renewable energy ecosystem. The entry of REC Solar having set up its global manufacturing and R&D headquarter here in Singapore marked a significant milestone of the nation's continued development efforts in the clean technology field. Having REC Solar in Singapore, along with its R&D and manufacturing expansion plans, seeks to promote collaborative efforts and sharing of skillsets in the solar energy field, which is essential for Singapore's long-term goal of growing its clean and renewable energy production.

Enhancing Singapore's industrial production and exports

Singapore is a premier regional centre for the oil and gas industry. Besides liquified natural gas (LNG), other sectors which contribute towards Singapore's overall energy sector include petrochemicals, electricity infrastructure, renewable energy and clean energy. Leading sub-sectors of exports to the United States (US) include solar energy equipment and components such as the grids, connectors and power optimizers. REC Group, as the leading European brand for premium PV panels is ranked among the top five solar panel brands for residential installation in the US and is recognised as one of the leading innovators of solar PV technology.

High efficiency of REC Solar's technology

The company produces over 1.5 GW of solar panels annually. Its recent "Alpha" series panels, featuring high-performance heterojunction cells, have placed REC on the same level as the world's best manufacturers and are some of the most efficient solar panels available. The production method is relatively sustainable through the use of lead-free soldering and utilising many efficient manufacturing methods to reduce the energy payback time and emissions throughout the production process.

Beneficial to Singapore's trade and renewable energy landscape

The renewable energy is a growing sector and solar energy is the most viable form of renewable energy in Singapore. Coupled with the Singapore government's long term energy goals, this sector has vast growth potential. The export of solar energy equipment and components, in particular by REC Solar, is poised to further solidify Singapore's rank in the advanced manufacturing sector.

6.2 Manufacturing Sector

The manufacturing sector remains a key pillar of growth in Singapore's economy, as supported by particularly strong growth in the electronics and precision engineering clusters backed by sustained global demand for semiconductors and related equipment. Based on the 2017 Bloomberg Innovation Index, Singapore is ranked 5th for the manufacturing of value-added goods. Attracted by the growing momentum of Industry 4.0 among Singapore-based industrial firms, many key global suppliers such as ABB and Siemens have established Advanced Manufacturing Centres of Excellence in Singapore.

Industry 4.0 (I4.0)

I4.0 is an ongoing new trend of automation and data exchange in manufacturing technologies. It aims to create an interconnected eco-system for manufacturing, integrated computing, networking and physical processes. The global manufacturing process is being disrupted by demographic shifts, resource scarcity, supply chain disruption and climate changes. Singapore plans to embrace I4.0 by using human-centered technology to improve products and processes, while building our manufacturing base into a key global hub.

6.3 The development of Tuas Mega Port

The Tuas Mega Port (Tuas Port) project serves as one of Singapore's strategies to entrench its regional dominance as a leading trans-shipment port that connects and feeds container goods to smaller regional ports. Once completed, this will be the single biggest port infrastructure project in the world. To be developed over four phases, the port is expected to be fully operational by the 2040s. It will have the capacity to handle up to 65 million TEUs, which is double of what the port handled in 2019. This mega port infrastructure is poised to spin off multiplier effects for transport and storage services, the logistics sector and thereon warehouse property demand particularly in the vicinity. The Tuas Port will occupy 1,337 hectares of land, equivalent to around three-quarters the size of Singapore's Central Area. In December 2018, Singapore's port operator, PSA, signed a Memorandum of Understanding (MOU) with the Singapore University of Technology and Design (SUTD), for the development of a pipeline of talent for the Tuas Port, to support PSA's network of info-communications technology (ICT) infrastructure.

With the completion of the Tuas Terminal, all current city terminals at Tanjong Pagar, Pasir Panjang, Keppel and Brani will eventually be merged at Tuas, following the expiration of port leases at Tanjong Pagar, Keppel and Brani in 2027. This will translate into leasing demand for the new mega port from the existing tenants of these terminals, as they relocate their operations to Tuas Mega Port. Moreover, the consolidation of terminals will result in enhanced efficiency in port operations due to inter-terminal haulage.

Highly efficient, reliable and automated Mega Port

Despite the pandemic-induced disruptions in manpower, construction equipment and materials supply, the Tuas project team ensured that the construction of Phase 1 was on track for completion in 2021. The land reclamation works were made more efficient by using caissons and automation, instead of conventional methods that relied on multiple vessels and divers, hence significantly reducing the manpower required by 80%. The reclamation works for Phase 1 completed in 2021, with the first two berths in operation since end-2021. The Mega Port will be automated and digitalised, using Artificial Intelligence (AI) to coordinate operations more seamlessly, including vessel traffic management and port clearance. It deploys a fleet of driverless Automated Guided Vehicles (AGVs). The Ministry of Transport (MOT) is currently conducting trials to enable the provision of Just-in-Time services, to further improve the turnaround time of ships and reduce the emission of greenhouse gases from ships. This adoption of advanced technology will enable Singaporeans in the logistics and port sector to take on higher skilled jobs.

Sustainable global hub port

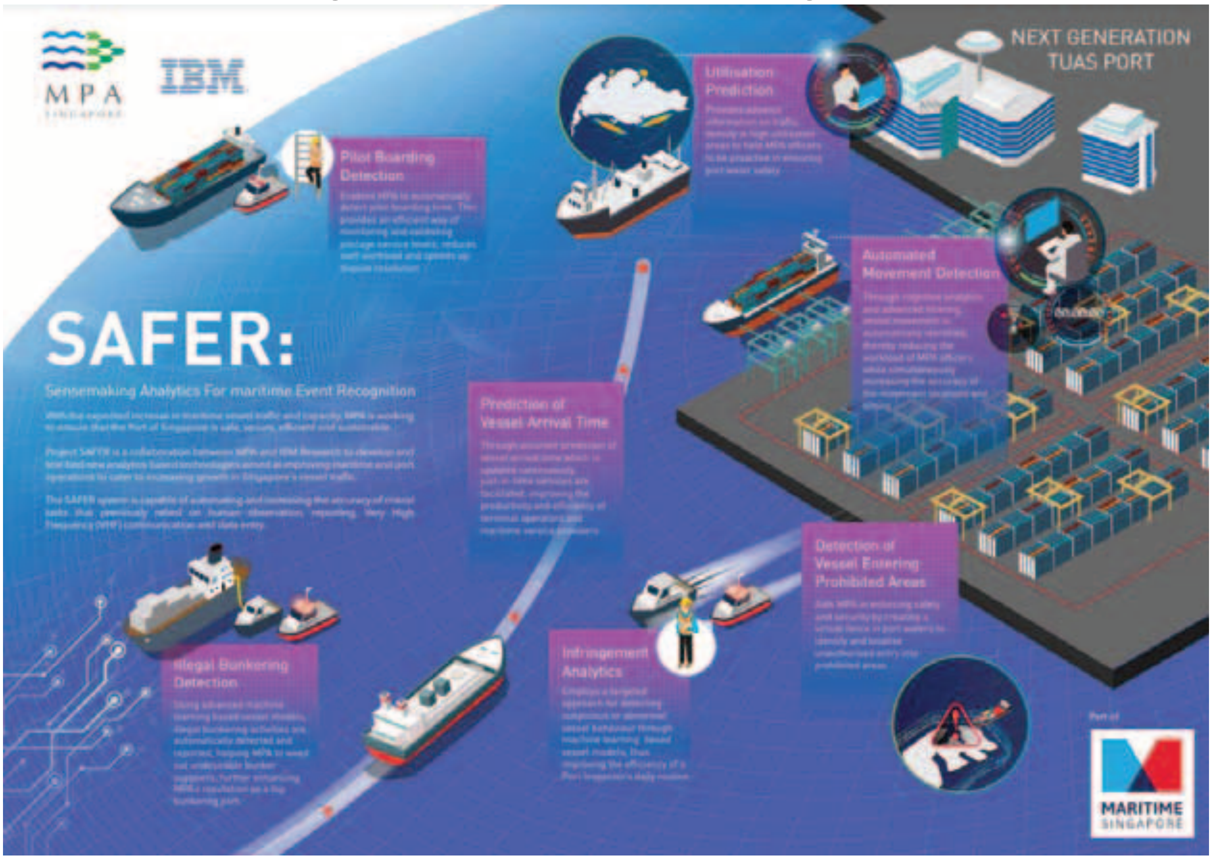
The consolidation of container operations at Tuas by the 2040s will eliminate inter-terminal haulage and associated emissions. PSA aims for Tuas Port to improve on decarbonisation effects and achieve net zero emissions by 2050, to be ready for the challenges of climate changes in the future. Smart power management platforms and green infrastructural facilities will be utilised. For example, Tuas Port's first super low-energy building at Tuas Maintenance Base generates sufficient solar energy to offset the electricity consumption of nearby buildings.

MOT also sought to balance environmental protection with port development, of which the Maritime and Port Authority of Singapore worked with environmental groups to relocate coral colonies to St John's and Sisters' Islands, to protect the precious marine ecosystem from the impact of land reclamation works. In addition, the wall surfaces of seven caissons facing the Temasek Fairway were fabricated with cement mortar patches to promote coral growth and marine life, in hope of enhancing marine biodiversity while developing Tuas Port.

With the completion of Phase 1 of Tuas Port, Phases II, III and IV will sequentially follow. Upon full completion in around 20 years' time, Tuas Port will be capable of handling 65 million TEUs annually, almost double of today's volume. This would position Singapore as a leading global player in the maritime space.

7 APPENDICES

7.1 Understanding the Next Generation Port – Tuas Mega Port



Source: Maritime and Port Authority of Singapore

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INDEPENDENT FINANCIAL ADVISER'S REPORT

INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

Private and Confidential

24 September 2024

Perpetual (Asia) Limited
(in its capacity as trustee of ESR-LOGOS REIT)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

The Independent Directors and the Audit and Risk Management and Compliance Committee
ESR-LOGOS Funds Management (S) Limited
(As Manager of ESR-LOGOS REIT)
5 Temasek Boulevard
#12-09 Suntec Tower Five
Singapore 038985

Dear Sir / Madam,

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO THE PROPOSED ACQUISITION OF 51.0% INTEREST IN THE NEW SINGAPORE PROPERTY (INCLUSIVE OF THE SINGAPORE INCOME SUPPORT)(INCLUDING THE ISSUANCE OF LOGOS CONSIDERATION UNITS) (AS DEFINED HEREIN) AND THE ENTRY INTO THE SINGAPORE SHAREHOLDER AGREEMENT AND SINGAPORE LLP AGREEMENT

*For the purpose of this letter (the "**Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the circular to the Unitholders dated 24 September 2024 (the "**Circular**").*

1. INTRODUCTION

1.1 THE SINGAPORE ACQUISITION

ESR-LOGOS Funds Management (S) Limited., as manager of ESR-LOGOS REIT ("**E-LOG**", and the manager of E-LOG, the "**Manager**") has proposed that E-LOG acquire a 51.0% interest in a Singapore property, comprising a high-specifications manufacturing facility and newly constructed four-storey ("**Phase 1**") and two-storey ("**Phase 2**")[1] ramp-up logistics warehouses which is Green Mark Platinum certified with specifications located at 20 Tuas South Avenue 14, Singapore 637312 (the "**New Singapore Property**"), by way of an acquisition of 51.0% of the shares in LSLV Project 5 Pte Ltd (the "**Singapore TargetCo**"), which indirectly holds the New Singapore Property (the "**Singapore Acquisition**", collectively with the Japan Acquisition, the "**Acquisitions**") for a purchase consideration of approximately S$223.9 million (the "**Singapore Purchase Consideration**").

On 31 July 2024, E-LOG, through Perpetual (Asia) Limited, in its capacity as trustee of ALOG Trust, a sub-trust of E-LOG (the "**ALOG Trustee**", and the ALOG Trustee as purchaser, the "**ALOG Purchaser**"), entered into a share and purchase agreement (the "**Singapore Share Purchase Agreement**") with LOGOS TSA Venture SPV 2 Pte. Ltd. (the "**New LOGOS Core Fund Purchaser**")[2], LSLV General Partner ("**LSLV GP**") and LSAV 1 Portfolio Ltd. ("**LSAV 1**", and together with the LSLV GP, the "**Singapore Acquisition Vendors**") in order for the ALOG Purchaser and the New LOGOS Core Fund Purchaser to acquire 51.0% and 49.0% of the shares in the Singapore TargetCo respectively, which indirectly holds the New Singapore Property, for a purchase consideration of approximately S$223.9 million, representing the ALOG Purchaser's 51.0% interest in the Singapore TargetCo.

1 Phase 1 and Phase 2 have obtained the full temporary occupation permits in July 2022 and December 2022 respectively.
2 The New LOGOS Core Fund Purchaser is held by LOGOS Property Group Limited, Ivanhoe Cambridge and other non-related third party limited partners.

Upon the completion of the Singapore Acquisition, the Singapore TargetCo will hold 100.0% of the Tuas South Avenue Pte. Ltd. (the "**Singapore PropCo**")[3], which in turn holds the New Singapore Property.

As at the date of the Singapore Share Purchase Agreement, the Singapore TargetCo holds 51.0% of Singapore PropCo and the Singapore PropCo holds the New Singapore Property. As at the date of the Singapore Share Purchase Agreement, the LOGOS Group holds a 3.0% interest in the Singapore TargetCo and a 1.6% interest in the Singapore PropCo. The other shareholders of the Singapore TargetCo and the Singapore PropCo are unrelated third parties, which includes Ivanhoe Cambridge. Prior to completion of the Singapore Share Purchase Agreement, the Singapore TargetCo will hold 100% of the Singapore PropCo. Upon completion of the Singapore Share Purchase Agreement, E-LOG, through the ALOG Trustee, will hold 51.0% of the Singapore TargetCo and the New LOGOS Core Fund Purchaser (which comprise the LOGOS Group, the current existing shareholders of the Singapore TargetCo and the Singapore PropCo and a new third party) will hold the balance 49.0%.

We refer to Appendix F to the Letter to Unitholders in the Circular for a simplified chart of the structure of the Singapore Acquisition.

1.2 INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

As the Manager is a subsidiary of the Sponsor, the Sponsor is regarded as a "controlling shareholder" of the Manager under both the listing manual of SGX-ST (the "**Listing Manual**") and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**Property Funds Appendix**"). In addition, LOGOS Property Group Limited ("**LOGOS Group**") is an indirect subsidiary of the Sponsor. As such, each of the Sponsor and LOGOS Group is considered (under Chapter 9 of the Listing Manual) an "interested person" and (under the Property Funds Appendix) an "interested party".

In relation to the Ordinary Resolution relating to the Singapore Acquisition, LSAV 1, being one of the Singapore Acquisition Vendors, is a special purpose vehicle held by a fund which is indirectly partly held by LOGOS Group, which is in turn an indirect subsidiary of the Sponsor. Further, LSAV 1 Sponsor Investment Ltd. (the "**LOGOS LSAV 1 Investor**"), which is a wholly-owned subsidiary of LOGOS Group, is a limited partner of the fund[4]. LOGOS TSA Venture SPV 2 Pte. Ltd., being the New LOGOS Core Fund Purchaser, is a special purpose vehicle which is partially held by LOGOS Group. Accordingly, the Singapore Acquisition (including the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement with LOGOS TSA Venture SPV 2 Pte. Ltd. (which will hold the balance 49% of the Singapore TargetCo)) between, as the case may be, the Singapore Acquisition Vendors (with LSAV 1 being a special purpose vehicle of the fund partly held by indirect subsidiaries of the Sponsor, which is in turn a "controlling shareholder" of the Manager) and LOGOS TSA Venture SPV 2 Pte. Ltd. (being a special purpose vehicle partially held by the Sponsor) and E-LOG will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual and an "interested party transaction" as defined under the Property Funds Appendix.

Given that the Singapore Purchase Consideration is approximately S$223.9 million (which is approximately 9.1% of the latest audited net tangible assets ("**NTA**") and the net asset value ("**NAV**") of E-LOG, respectively, as at 31 December 2023), the Singapore Purchase Consideration exceeds 5.0% of the NTA and the NAV of E-LOG, respectively. Therefore, the approval of Unitholders would be required in relation to the Singapore Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, respectively.

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3 At the date of entry into the Singapore Share Purchase Agreement, the Singapore TargetCo owns 51.0% of the issued shares in the Singapore PropCo. Under the Singapore Share Purchase Agreement, the Singapore TargetCo will complete the acquisition of the remaining 49.0% of the issued shares in the Singapore PropCo held by other sellers (the "**Other Sellers**") such that the Singapore TargetCo will hold 100.0% of the issued shares in the Singapore PropCo at completion of the Singapore Acquisition (the "**Restructuring**"). See paragraph 3.4.2 of the Letter to Unitholders in the Circular for further details on the principal terms of the Singapore Share Purchase Agreement.

4 The fund is held by the LOGOS LSAV 1 Investor, Ivanhoe Cambridge and another limited partner.

Further, LOGOS Units No. 1 Ltd. (together with Ivanhoe Cambridge Asia Inc. ("**Ivanhoe Cambridge**"), where applicable, the "**Singapore Acquisition Vendors' Nominees**") is a wholly-owned subsidiary of LOGOS Group, which is an indirect subsidiary of the Sponsor, which is in turn a "controlling shareholder" of the Manager. As such, the proposed issuance of the LOGOS Consideration Units will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Singapore Acquisition.

The Sponsor, LOGOS Group and their associates are prohibited from voting on the resolution to approve the Singapore Acquisition.

In approving the Singapore Acquisition, Unitholders are deemed to have approved the issuance of the Consideration Units at an Issue Price of S$0.305 per Unit to the Singapore Acquisition Vendors' Nominees upon completion of the Singapore Acquisition (the "IPT Transaction").

1.3 APPOINTMENT AS INDEPENDENT FINANCIAL ADVISER

We, Deloitte & Touche Corporate Finance Pte. Ltd. ("**DTCF**"), have been appointed as independent financial adviser (the "**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the independent directors of the Managers (the "**Independent Directors**"), the Audit, Risk Management and Compliance Committee ("**ARCC**"), and Perpetual (Asia) Limited, in its capacity as trustee of E-LOG (the "**Trustee**"), in relation to the Singapore Acquisition (inclusive of Singapore Income Support) (including the issuance of the Consideration Units to LOGOS Units No. 1 Ltd. ("**LOGOS Consideration Units**") and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement, are on normal commercial terms and are not prejudicial to the interests of E-LOG and its minority unitholders.

This Letter, which sets out our evaluation for the Independent Directors, the ARCC and the Trustee in respect of this engagement, is an integral part of the Circular.

1.4 MATERIAL ASPECTS OF THE TRANSACTION

In our Letter, we make references to the letter to Unitholders ("**Letter to Unitholders**") in the Circular for the following key aspects of the Transaction:

- **Singapore Purchase Consideration**: Refer Paragraph 3.2.1 of the Letter to Unitholders in the Circular
- **Total Singapore Acquisition Outlay**: Refer Paragraph 3.3 of the Letter to Unitholders in the Circular
- **Issuance of Consideration Units**: Refer to Paragraph 3.4.3 of the Letter to Unitholders in the Circular
- **Method of Financing**: Refer to Paragraph 5.1 of the Letter to Unitholders in the Circular

We note that the Japan Acquisition is included in the Letter to Unitholders in the Circular, but it is not in our scope to provide an opinion on the Japan Acquisition.

2. TERMS OF REFERENCE

Our responsibility is to provide our opinion in respect to whether the IPT Transaction is on normal commercial terms and are not prejudicial to the interests of E-LOG and its minority Unitholders. Our opinion in relation to the IPT Transaction as set out under Paragraph 5 of this Letter should be considered in the context of the entirety of our advice. This Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as for the benefit and use by the Independent Directors, the ARCC and the Trustee, and will be incorporated as an Appendix E to the Letter to Unitholders in the Circular.

We were neither a party to the negotiations entered into in relation to the IPT Transaction, nor were we involved in the deliberations leading up to the decision on the part of the Manager to undertake the IPT Transaction.

We do not, by this Letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the IPT Transaction. All such evaluations, advice, judgements or comments remain the sole responsibility of the directors of the Managers (the "**Directors**"), the Managers and their advisors. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of E-LOG. We do not express any view as to the price at which the Units may trade upon completion of the IPT Transaction or the future value, financial performance or condition of E-LOG after the IPT Transaction.

It is also not within our terms of reference to compare the merits of the IPT Transaction to any alternative arrangements that were or may have been available to E-LOG. Such comparison and consideration remain the responsibility of the Directors, the Managers and their advisors.

In the course of our evaluation, we have held discussions with the management of the Managers (the "**Management**"), and have considered the information contained in the Circular, the shareholders agreement between the ALOG Purchasers and the New LOGOS Core Fund Purchaser (the "**Singapore Shareholders Agreement**") and publicly available information collated by us as well as information, both written and verbal, provided to us by the Management. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made, and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of E-LOG or the IPT Transaction. We have been furnished with the valuation reports for the New Singapore Property prepared by the independent valuers Cushman & Wakefield VHS Pte. Ltd. ("**Cushman**") and Savills Valuation and Professional Services (S) Pte Ltd ("**Savills**"), together, the "**Singapore Independent Valuers**"), which are appointed by the Trustee and the Manager respectively. With respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of the assets concerned and have relied solely upon such reports. We have however made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the respective valuation reports. In our review, we found the valuation approaches to be reasonable.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us. We assume no responsibility to update, revise or re-affirm our opinion, factors or assumptions in light of any subsequent development after the latest practicable date prior to the issuance of the Circular (the "**Latest Practicable Date**") that may affect our opinion or factors or assumptions contained herein. The Unitholders should take note of any announcements relevant to their considerations of the IPT Transaction which may be released by E-LOG after the Latest Practicable Date.

E-LOG has been separately advised by its own legal advisor in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. Unitholders may require specific advice in relation to his or her specific investment objectives or portfolio and should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors.

This Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as for the benefit and use by the Independent Directors, the ARCC and the Trustee and will be incorporated as an Appendix to the Letter to Unitholders in the Circular. The Manager may not reproduce, disseminate or quote this Letter or any part thereof for any purpose without our prior written consent in each instance, other than for matters relating to the IPT Transaction.

Our opinion is issued pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed expressly to the Independent Directors, the ARCC and the Trustee for their benefit and deliberation in connection with and for the purpose of their consideration of the IPT Transaction. Any recommendation made by the Independent Directors to the Unitholders in respect of the IPT Transaction shall remain the responsibility of the Independent Directors. Our opinion in relation to the IPT Transaction, as set out under paragraph 5 of this Letter should be considered in the context of the entirety of our advice.

3. THE PROPOSED SINGAPORE ACQUISITION (INCLUSIVE OF SINGAPORE INCOME SUPPORT) AND ISSUANCE OF CONSIDERATION UNITS TO VENDORS' NOMINEE, AS AN INTERESTED PERSON TRANSACTION

3.1 OVERVIEW OF THE SINGAPORE ACQUISITION

On 31 July 2024, E-LOG, through the ALOG Purchaser, entered into the Singapore Share Purchase Agreement with the New LOGOS Core Fund Purchaser and the Singapore Acquisition Vendors in order for the ALOG Purchaser and the New LOGOS Core Fund Purchaser to acquire 51.0% and 49.0% of the shares in the Singapore TargetCo respectively, which indirectly holds the New Singapore Property, for a purchase consideration of approximately S$223.9 million, representing the ALOG Purchaser's 51.0% interest in the Singapore TargetCo. Upon the completion of the Singapore Acquisition, the Singapore TargetCo will hold 100.0% of the shares in the Singapore PropCo[5], which will in turn hold the New Singapore Property.

5 At the date of entry into the Singapore Share Purchase Agreement, the Singapore TargetCo owns 51.0% of the issued shares in the Singapore PropCo. Under the Singapore Share Purchase Agreement, it is intended that the Singapore TargetCo will hold 100.0% of the issued shares in the Singapore PropCo at completion of the Singapore Acquisition as part of the Restructuring. See paragraph 3.4.2 of the Letter to Unitholders in the Circular for further details on the principal terms of the Singapore Share Purchase Agreement.

3.2 INFORMATION ON THE NEW SINGAPORE PROPERTY

The information on the New Singapore Property has been extracted from Paragraph 3.1 of the Letter to Unitholders in the Circular, and are reproduced in italics below:

"The New Singapore Property comprises a high-specifications manufacturing facility and newly constructed ramp-up logistics warehouses which is Green Mark Platinum certified with modern specifications at 20 Tuas South Avenue 14, Singapore 637312 sitting on a total land area of 252,733 sqm, and has an occupancy of 99.7% and a WALE of 11.2 years as at 30 June 2024. The New Singapore Property is a leasehold property (with approximately 44 years remaining[6] as at 30 June 2024).

The New Singapore Property is located in Tuas, which is situated in the Western region of Singapore which hosts the country's largest manufacturing hub. Under the Urban Redevelopment Authority's 2019 master plan, three new business sectors, namely Jurong Lake District, Jurong Innovation District and the Tuas Mega Port, will be created within this region. Given its close proximity to Tuas Mega Port, the New Singapore Property is able to capture the in-built demand for both logistics space and warehousing space, including specialised storage such as cold storage and dangerous goods.

The ramp-up logistics warehouses were designed to take superimposed live floor loading of 20 kilonewton/sqm to 40 kilonewton/sqm, a floor-to-floor ceiling height ranging from 8 metre to 15 metre, and a column grid of 11.4 metre x 14 metre, allowing optimal space utilisation for denser racking layout. The facilities provide wide truck loading bays equipped with 1.2 metre dock levellers and 18 metre driveways for 40-foot container trucks, designed to be highly versatile to support flexible leasing solutions. The ramp-up logistics warehouses also come with ancillary amenities such as an air-conditioned canteen on the first level of Phase 1 and ample carpark lots on the rooftop. The generic and flexible design of the new ramp-up logistics warehouses cater to a wide pool of end-users or tenants.

The New Singapore Property also enjoys excellent access to the Jurong Tuas industrial estate and rest of Singapore via the Ayer Rajah Expressway.

In respect of the New Singapore Property:

*(i) the existing high-specifications manufacturing facility is 100% leased to REC Solar Pte. Ltd. ("**REC Solar**") for approximately 19 years (from 1 December 2019 to 21 June 2038) (the "**REC Initial Term**") with an option to renew for a further 20 years (the "**REC Option Term**")* [7]*; and*

(ii) the ramp-up logistics warehouses are leased to various blue-chip tenants (such as Schneider Electric Asia Pte. Ltd., Maersk Logistics and Services Singapore Pte Ltd and DSV Solutions Pte. Ltd.) on a multi-tenanted basis with a WALE of 6.0 years as at 30 June 2024."

(See Appendix A of the Letter to Unitholders in the Circular for further details on the New Singapore Property.)

The table below sets out a summary of selected information on the New Singapore Property as at 30 June 2024, unless otherwise indicated.

---

6 Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease. For the avoidance of doubt, the payment of land premium is not a condition precedent under the Singapore Share Purchase Agreement and JTC will inform the Singapore PropCo of the exact amount of land premium payable (which will be based on the prevailing market price) closer to 22 June 2038.

7 Should REC Solar exercise the option to renew, the average rent payable per month for the REC Option Term will be approximately 46% of the average rent payable per month for the period of 1 December 2021 to 21 June 2038 (based on the restructured rent period of the lease with REC Solar). See paragraph 3.2.3 of the Letter to Unitholders in the Circular for further details.

	New Singapore Property
Asset Type	High-specifications manufacturing facility and ramp-up logistics warehouses
Singapore Purchase Consideration	S$223.9 million (representing 51.0% of the interest in the Singapore TargetCo which, upon the completion of the Singapore Acquisition, will hold 100% of the Singapore PropCo)
Location	20 Tuas South Avenue 14, Singapore 637312
Completion Year	High-specifications: 2009 Logistics: 2022
Land Area (sqm)	252,733
Net Lettable Area (sqm)	Total: 247,063 High-specifications: 150,250 Logistics: 96,813
Land Tenure	Leasehold (approximately 44.0 years remaining)[8]
WALE (years)	11.2
First year NPI yield	6.1% (based on Agreed Value)
Occupancy	99.7%
Number of Tenants	8
Valuation by Cushman (as at 30 June 2024)	S$859.7 million
Valuation by Savills (as at 30 June 2024)	S$859.0 million
Agreed market value ("**Agreed Value**") of the New Singapore Property	S$840.0 million
Green Certification	Green Mark Platinum (for the newly constructed ramp-up logistics warehouses)

Figure 3.2

Source: Management of E-LOG

3.3 Key Terms of the Singapore Acquisition

3.3.1 Singapore Purchase Consideration and Valuation

3.3.1.1 Singapore Purchase Consideration

The Singapore Purchase Consideration shall be based on the aggregated NAV of the Singapore TargetCo and the Singapore PropCo, which takes into account the assets and liabilities of the Singapore TargetCo and the Singapore PropCo, including the Agreed Value of the New Singapore Property of S$840.0 million. The Agreed Value of the New Singapore Property was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of the New Singapore Property.

8 Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease. Without the further term of 30 years from 22 June 2038, the land tenure would be approximately 14 years remaining as at 30 June 2024.

The Singapore Purchase Consideration payable will be subject to completion adjustments[9] and is estimated to be approximately S$223.9 million. Pursuant to the Singapore Share Purchase Agreement, Consideration Units of approximately S$6.3 million would be issued to LSAV 1 or its nominee as part payment of the Singapore Purchase Consideration. LSAV 1 intends to nominate LOGOS Units No. 1 Ltd to receive the Consideration Units of approximately S$6.3 million (the "**LOGOS Consideration Units**"). Additionally, Consideration Units may be issued to Ivanhoe Cambridge (the "**Ivanhoe Consideration Units**") depending on the amount which is raised in the Preferential Offering[10].

The Singapore Acquisition may be partly paid with the issuance of the Ivanhoe Consideration Units of up to S$5.8 million, depending on the amount which is raised in the Preferential Offering.

Additionally, approximately S$6.3 million worth of LOGOS Consideration Units is expected to be issued to LOGOS Units No. 1 Ltd. The LOGOS Consideration Units would be issued regardless of the amount raised in the Preferential Offering.

3.3.1.2 Valuation of The New Singapore Property

The Trustee has commissioned an independent valuer, Cushman, and the Manager has commissioned an independent valuer, Savills to value the New Singapore Property. The valuations of the New Singapore Property as at 30 June 2024 are set out below.

	Cushman	Savills
Market Valuations	S$859.7 million	S$859.0 million
Average Valuation	S$859.4 million	
Agreed Value	**S$840.0 million**	
Discount to Average Valuation	***2.3%***	

Figure 3.3.1.2

Sources: Singapore Independent Valuers reports

In arriving at the market value of the New Singapore Property, Savills relied on the income capitalisation method and discounted cash flow ("**DCF**") analysis while Cushman relied on the DCF analysis, capitalisation method and, where appropriate, the sales comparison method.

We understand that the Agreed Value of the New Singapore Property was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of the New Singapore Property.

(See Appendix C of the Letter to Unitholders in the Circular for the valuation summary reports and valuation certificates by the Singapore Independent Valuers for further details.)

E-LOG intends to hedge interest rate exposure for the debt used to finance the Singapore Acquisition. Due to the current volatility across Singapore interest rates, there is uncertainty as to the level of interest rate E-LOG is able hedge on completion. Accordingly, notwithstanding the New Singapore Property operating at a stabilised occupancy of 99.7%, adverse movements in interest rates may result in lower net income.

9 The Singapore Purchase Consideration will be adjusted upwards or downwards in accordance with the Singapore Share Purchase Agreement depending on the aggregated final net asset value of the Singapore TargetCo and the Singapore PropCo.

10 Please refer to paragraph 5.1 of the Letter to the Unitholders for further details on the Preferential Offering and the Ivanhoe Consideration Units.

Accordingly, to address the above-mentioned situation where changes in interest rate would affect the net income of the New Singapore Property, the ALOG Trustee and the Singapore Acquisition Vendors, among others, have entered into a deed of income support (the "**Deed of Income Support**") to top-up an amount in relation to the New Singapore Property (the "**Singapore Income Support**") of up to S$3,519,000 (the "**Singapore Income Support Amount**") to the ALOG Trustee over a period of 12 months after the completion of the Singapore Acquisition (the "**Singapore Income Support Period**") based on a target aggregate Net Income[11] of the New Singapore Property of S$20,600,000 (the "**Singapore Target Net Income**").

The Singapore Income Support shall apply to the New Singapore Property such that in the event that there is any shortfall between the aggregate Net Income of the New Singapore Property during the Singapore Income Support Period (the "**Singapore Actual Net Income**") and the Singapore Target Net Income, the ALOG Trustee will be entitled to make drawdowns on the Singapore Income Support Amount in accordance with the Deed of Income Support to the extent of such difference. For the avoidance of doubt, while the Singapore Income Support is mainly to address the interest rate volatility, E-LOG will still be able to draw on the Singapore Income Support Amount if the Singapore Actual Net Income falls short of the Singapore Target Net Income due to other factors such as lower actual gross rents or higher actual operating expenses during the Singapore Income Support Period.

We understand that the valuation of the New Singapore Property does not take into account the Singapore Income Support.

The purpose of the Singapore Income Support is to alleviate volatility in Singapore interest rates to ensure net income stability for the benefit of Unitholders.

(See Paragraph 3.5 of the Letter to Unitholders in the Circular for further details of the Deed of Income Support.)

3.3.1.3 TOTAL SINGAPORE ACQUISITION OUTLAY

The total acquisition outlay for the Singapore Acquisition (the "**Total Singapore Acquisition Outlay**") is estimated to be approximately S$446.6 million, comprising:

(i) The Singapore Purchase Consideration is estimated to be approximately S$223.9 million, which will be satisfied by cash and the issuance of Consideration Units of up to S$12.1 million, comprising (a) the LOGOS Consideration Units of approximately S$6.3 million to LOGOS Units No. 1 Ltd and (b) the Ivanhoe Consideration Units of up to S$5.8 million to Ivanhoe Cambridge[12];

(ii) E-LOG's proportionate share of the repayment of the Existing Loan Settlement Sum[13] of approximately S$210.3 million[14];

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11 "**Net Income**" in relation to the Singapore Income Support Period means, 51.0% of the total property revenue of the New Singapore Property minus 51.0% of the total expenses and 51.0% of the total interest expenses of the New Singapore Property.

12 For the avoidance of doubt, the Singapore Acquisition may be partly paid with the issuance of the Ivanhoe Consideration Units of up to S$ 5.8 million depending on the amount which is raised in the Preferential Offering. Should no Ivanhoe Consideration Units be issued, approximately S$217.6 million of the Singapore Purchase Consideration will be payable in cash with the balance sum of S$6.3 million being satisfied by the issuance of the LOGOS Consideration Units. Please refer to paragraph 5.1.4 of the Letter to Unitholders for further details on the Ivanhoe Consideration Units.

13 "**Existing Loan Settlement Sum**" means the sum of the principal loan amount outstanding as at the closing date of the Singapore Acquisition under the existing loan agreements of the Singapore PropCo and all other outstanding amounts payable by the Singapore TargetCo and/or the Singapore PropCo as at the closing date of the Singapore Acquisition for full repayment of their liabilities and obligations under or pursuant to their existing loan agreements, including any accrued interest and other sums (if any) payable upon the discharge of such liabilities and obligations and the discharge of relevant security documents (including but not limited to, any accrued interest outstanding, break fees, prepayment amounts, cancellation fees and termination costs contemplated by the existing loan agreements of the Singapore PropCo, and cost of any interest rate swaps in connection with the existing loan agreements of the Singapore PropCo.

14 Being 51.0% of the Existing Loan Settlement Sum of approximately S$412.4 million.

(iii) the acquisition fee of approximately S$4.3 million (the "**Singapore Acquisition Fee**") payable in Units to the Manager[15] (the "**Singapore Acquisition Fee Units**"); and

(iv) other costs including stamp duty, the estimated professional and other fees and expenses[16] of approximately S$8.1 million incurred or to be incurred by E-LOG in connection with the Singapore Acquisition payable by cash.

3.4 METHOD OF FINANCING

The Manager intends to fund both the Acquisitions via (i) debt financing, (ii) the issuance of LOGOS Consideration Units in relation to the Singapore Acquisition, (iii) a combination of one or more of the issuance of Units via a preferential offering of new Units; and (iv) the S$100.0 million of the proceeds raised from E-LOG's issuance of S$174,750,000 in aggregate principal amount of 6.00% subordinated perpetual securities under E-LOG's S$750,000,000 multicurrency debt issuance programme comprised in Series 009 (the "**Perpetual Securities**")[17].

The aggregate of (i) the proceeds raised from the Preferential Offering, (ii) the proceeds raised from the issuance of the Ivanhoe Consideration Units (if any) and (iii) S$100.0 million from the Perpetual Securities ("**Perpetual Securities Proceeds**") shall not exceed S$194.0 million.

As at the Latest Practicable Date, the Manager has secured various committed debt financing term sheets from banks for the purposes of general corporate funding purposes including, but not limited to, financing the Acquisitions, refinancing of existing indebtedness and application towards other general working capital purposes.

In relation to the Singapore Acquisition, E-LOG has secured the following committed green debt financing term sheets:

a) a secured term loan facility[18] of S$341.5 million (with a green loan tranche[19] of S$108.6 million) from CIMB Bank Berhad, Singapore Branch, DBS Bank Ltd., Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, and Sumitomo Mitsui Banking Corporation Singapore Branch, of which net proceeds of approximately S$172.0 million, being E-LOG's proportionate share of net proceeds, will be utilised to complete the Singapore Acquisition[20]; and

b) an unsecured sustainability linked loan[21] of S$225.0 million from The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, CIMB Bank Berhad, Singapore Branch, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch, of which net proceeds of approximately S$70.0 million will be utilised to complete the Singapore Acquisition.

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15 As the Singapore Acquisition constitutes an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be payable in Units which shall not be sold within one year from the date of issuance in accordance with the Property Funds Appendix.

16 Such fees and expenses include due diligence costs, tax insurance costs, warranty & indemnity insurance costs and acquisition costs such as legal expenses, expenses relating to the appointment of the IFA and other professional costs.

17 Please refer to the Manager's announcement dated 13 August 2024 titled "*Pricing of Additional S$100,000,000 6.00% Subordinated Perpetual Securities (the "Additional New Securities") to be Consolidated with New Securities Issued Pursuant to Exchange Offer Comprised in Series 009*" for further details.

18 The secured term loan facility will be entered into by the Singapore PropCo, for which E-LOG will have a 51.0% interest in, to partially refinance the Existing Loan Settlement Sum.

19 The green loan tranche includes a condition that the newly constructed ramp-up logistics warehouses achieve and maintain a valid BCA green certification of at least a Green Mark Gold PLUS rating. As at the Latest Practicable Date, the newly constructed ramp-up logistics warehouses are certified Green Mark Platinum, and as such this condition is fulfilled.

20 As the secured term loan facility will be entered into at the Singapore PropCo level, E-LOG's proportionate share of the net proceeds will correlate to E-LOG's indirect 51.0% interest in the Singapore PropCo following the completion of the Singapore Acquisition.

21 The unsecured sustainability linked loan will be entered into by the Trustee. In relation to this unsecured sustainability linked loan, E-LOG has set sustainability performance targets for the following three key performance indicators, 1) electricity intensity, 2) water intensity, and 3) solar power capacity which are to be observed annually throughout the loan term. For every sustainability performance target achieved, a margin adjustment of -1bps will be applied during the next interest period.

3.5 ISSUANCE OF CONSIDERATION UNITS

Under the Singapore Share Purchase Agreement, the number of Consideration Units to be issued to LSAV 1 or its nominee shall be derived in the manner set out in Paragraph 3.4.3 of the Letter to Unitholders in the Circular.

Where the number derived is not a whole number (in its hundreds), the number of Consideration Units issued shall be rounded downwards to the nearest 100 and any balance sum which is not satisfied by the issue of the Consideration Units due to such rounding down, shall be added to, or set off against, payment from the ALOG Purchaser and the New LOGOS Core Fund Purchaser to LSAV 1 or from LSAV 1 to the ALOG Purchaser and the New LOGOS Core Fund Purchaser (as the case may be).

The Consideration Units shall be entitled to distributions by E-LOG accrued from the date of issue of such Consideration Units. The Consideration Units will, upon issue, rank *pari passu* in all respects with the Units in issue as at the date of issue of the Consideration Units.

In approving the Singapore Acquisition, Unitholders are deemed to have approved the issuance of the Consideration Units at an Issue Price of S$0.305 per Unit to the Singapore Acquisition Vendors' Nominees upon completion of the Singapore Acquisition.

3.6 PREFERENTIAL OFFERING

The Acquisitions are intended to be funded by the Preferential Offering, and such Preferential Offering would not be underwritten[22] and shall comprise an offering of Preferential Offering Units at an Issue Price of S$0.305 per Unit to existing Unitholders to raise gross proceeds of up to S$94.0 million. The new Units under the Preferential Offering (the "**Preferential Offering Units**") represents approximately 4.0% of the total number of issued Units as at Latest Practicable Date.
In connection with the Preferential Offering, the Sponsor has provided an irrevocable undertaking to procure e-Shang Infinity Cayman Limited ("**e-Shang Infinity**")[23] to subscribe for up to S$140.0 million (the "**ESR IU**") (comprising up to S$17.4 million of subscription for e-Shang Infinity's pro rata entitlement (the "**ESR Pro-Rata**", and the Units to be subscribed under the ESR Pro-Rata, the "**ESR Pro-Rata Units**") and up to S$122.6 million for application for excess Units (the "**ESR Excess**", and the Units (if any) to be subscribed under the ESR Excess the "**ESR Excess Units**") at an Issue Price of S$0.305 per Unit. e-Shang Infinity's undertaking to subscribe for the ESR Excess Units shall be reduced by any amount raised from (i) the Preferential Offering (other than subscriptions from the Sponsor and Ivanhoe Cambridge Asia Inc. ("**Ivanhoe Cambridge**") (the "**Third Party Proceeds**") and (ii) the Perpetual Securities Proceeds, in excess of S$48.2 million.

The aggregate of (i) the proceeds raised from the Preferential Offering, (ii) the proceeds raised from the issuance of the Ivanhoe Consideration Units (if any) and (iii) the Perpetual Securities Proceeds shall not exceed S$194.0 million.

We refer to paragraph 5.1.5 in the Letter to Unitholders in the Circular for the illustrative waterfall charts for a diagrammatic illustration on how the Preferential Offering, the ESR IU and the Ivanhoe Consideration Units operate.

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22 The Preferential Offering is not underwritten in view that the Acquisitions will have sufficient funding in light of the method of financing which takes into account the Sponsor's irrevocable undertaking given pursuant to the ESR IU (as defined herein) and the issuance of the Conisderation Units to the Singapore Acquisition Vendors' Nominees.

23 e-Shang Infinity Cayman Limited is a wholly-owned subsidiary of the Sponsor. For the avoidance of doubt, apart from e-Shang Infinity, the other entities of the Sponsor which hold Units would not be applying for their pro rata entitlement units in the Preferential Offering.

For the avoidance of doubt, the proceeds from the 2023 equity fund raising[24] will not be used for the Acquisitions as these proceeds have been earmarked for the potential redevelopment of an existing logistics asset.

4 EVALUATION OF THE PROPOSED SINGAPORE ACQUISITION AND ISSUANCE OF CONSIDERATION UNITS TO VENDORS' NOMINEE, AS AN INTERESTED PERSON TRANSACTION

In reaching our recommendation in respect of the proposed Singapore Acquisition, issuance of Consideration Units to Vendors' Nominee, we have given due consideration to the following factors:

(i) rationale for and key benefits of the Singapore Acquisition;

(ii) valuation results of the New Singapore Property and key transaction perimeters;

(iii) valuation approaches and assumptions by Singapore Independent Valuers;

(iv) comparison to publicly available market benchmarks;

(v) comparison to precedent transactions;

(vi) comparison to existing trading comparables;

(vii) comparison to existing property portfolio;

(viii) pro forma financial effects of the Acquisitions;

(ix) rationale for the Preferential Offering

(x) pro-rata entitlement to the Preferential Offering;

(xi) comparison of Issue Price of Consideration Units and under the Preferential Offering to precedent placements; and

(xii) other relevant considerations that may have a significant bearing on our assessment.

4.1 EVALUATION OF THE SINGAPORE ACQUISITION

4.1.1 RATIONALE FOR AND KEY BENEFITS OF THE SINGAPORE ACQUISITION

The Managers' view of the rationale for and benefits of the Singapore Acquisition are set out in paragraph 4 of the Letter to Unitholders in the Circular.

We have considered the rationale for and key benefits holistically, to the extent that they pertain to the New Singapore Property.

(Refer to Paragraph 4 of the Letter to Unitholders in the Circular for further details on the rationale. We recommend that the Independent Directors and the ARCC to read this information carefully.)

24 Please refer to the announcement titled "*Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less than Approximately S$300.0 Million*" dated 16 February 2023. As at the Latest Practicable Date, approximately S$4.7 million of the proceeds has been utilised and approximately S$295.0 million of the proceeds remain pending utilisation.

4.1.2 VALUATION RESULTS OF THE NEW SINGAPORE PROPERTY AND KEY TRANSACTION PERIMETERS

We have set out below a summary of:

(i) the Market Value in respect to the independent valuations of the New Singapore Property by the Singapore Independent Valuers – Cushman and Savills;

(ii) the key assumptions adopted by the Singapore Independent Valuers; and

the premium/(discount) between the adopted Market Values (of the Singapore Independent Valuers) and Agreed Value.

Key valuation assumptions adopted by the Singapore Independent Valuers

<table>
<tr><th colspan="2"></th><th>Cushman</th><th>Savills</th></tr>
<tr><td colspan="4">Key assumptions</td></tr>
<tr><td colspan="2">Capitalisation rate</td><td>Master tenanted area: 5.30%
Ramp-up warehouses: 5.50%</td><td>High-specifications: 5.25%
Ramp-up warehouses: 5.50%</td></tr>
<tr><td rowspan="2">Annual Gross Income</td><td>High-Specifications Industrial Segment</td><td>S$ 35.6mn</td><td>S$ 35.6mn</td></tr>
<tr><td>Logistics Segment</td><td>S$ 20.3mn</td><td>S$ 20.4mn</td></tr>
<tr><td rowspan="2">Terminal Capitalisation Rate</td><td>High-Specifications Industrial Segment</td><td>5.5%</td><td>5.5%</td></tr>
<tr><td>Logistics Segment</td><td>5.75%</td><td>5.75%</td></tr>
<tr><td rowspan="2">Discount rate</td><td>High-Specifications Industrial Segment</td><td>6.9%</td><td rowspan="2">7.0%</td></tr>
<tr><td>Logistics Segment</td><td>7.0%</td></tr>
<tr><td colspan="4">Market Value adopted</td></tr>
<tr><td colspan="2">High-Specifications Industrial Segment</td><td>S$ 568.2mn</td><td>S$ 583.7mn</td></tr>
<tr><td colspan="2">Logistics Segment</td><td>S$ 291.5mn</td><td>S$ 275.3mn</td></tr>
<tr><td colspan="2">New Singapore Property</td><td>S$ 859.7mn</td><td>S$ 859.0mn</td></tr>
<tr><td colspan="2">Agreed Value</td><td colspan="2">S$ 840,000,000</td></tr>
</table>

Figure 4.1.2

Sources: Singapore Independent Valuers reports, Management

Based on the table above, we note that:

(i) the Agreed Value is slightly below the Market Values adopted by the Singapore Independent Valuers;

(ii) the key assumptions of the Singapore Independent Valuers are consistent with market standards.

4.1.3 VALUATION APPROACHES AND ASSUMPTIONS BY THE SINGAPORE INDEPENDENT VALUERS

All capitalised terms and expression not defined from this section shall have the same meaning as those defined in the valuation reports by the Singapore Independent Valuers.

In respect of the independent valuations of the New Singapore Property, both Singapore Independent Valuers have utilised the income capitalisation approach and discounted cash flow analysis valuation methods.

We set out below a brief summary of the valuation approaches adopted by the Singapore Independent Valuers in relation to the New Singapore Property:

Valuers	Cushman	Savills
Market Value definition	• Defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".	
Valuation approach	In accordance to the Singapore Institute of Surveyors and Valuers ("**SISV**") guidelines, • Cushman has adopted the DCF analysis, income capitalisation method, together with sales comparison method (only for the ramp-up warehouse[1]) in their valuation of the New Singapore Property • Furthermore, they adopted a SOTP approach, valuing the master tenant facility[1] and ramp-up warehouses independently and summing the value of each to arrive at the Market Value of the of the New Singapore Property • In the DCF approach, Cushman has assumed that the property will be sold at the commencement of the eleventh year at a price based upon the forecast income at the respective terminal capitalisation rate In arriving at the value opinion, Cushman placed equal weightage on each of the three methods. The sales comparison method was only applied in valuing the ramp-up warehouses	In accordance to SISV, IVSC and RICS guidelines, • Savills has adopted the DCF analysis, the income capitalization in their valuation of the New Singapore Property • Furthermore, they adopted a SOTP approach, valuing the High-Specifications Buildings[2] and Phase 1 & Phase 2 Warehouses[2] independently and summing the value of each to arrive at the Market Value of the New Singapore Property • In the DCF approach, Savills has assumed that the property will be sold after the end of Year 10 at a price based upon the forecast income at the respective terminal capitalisation rate • In arriving at the value opinion, Savills placed equal weightage on the DCF analysis and Income capitalisation Method.

Consideration for key metrics	• For the income capitalisation approach, Cushman used two separate capitalisation rates for the master tenant facility and ramp-up warehouse by taking into account their research of recent transactions and knowledge of the market • In the DCF analysis, in determining the terminal capitalisation rate, Cushman took into account any functional and economic obsolescence, market uncertainty and risks such as leasing and occupational risks in the reversion term • The discount rate of 6.9% and 7.0% for the master tenant facility and ramp-up warehouses respectively takes into account the risk-free rate in Singapore and the typical rate of return of the asset class over a 10-year period and the substantial bankers guarantee for the master tenant facility • For the sales comparison method: ○ For the master tenant facility, Cushman noted that there is no manufacturing facility in the market that is comparable ○ For the ramp-up warehouses, comparison is made with sales of logistics and industrial buildings in the last two years. However, certain adjustments were made on the price on GFA and price on NLA of the comparables, including location, size, tenure, age and condition of the buildings and transaction dates, etc.[3]	• For the income capitalisation approach, Savills used two separate capitalisation rate for the High-Specifications Buildings and Phase 1 & 2 Warehouses by taking into account characteristics of the property and comparable yields from similar properties transaction and capitalisation rates adopted by major industrial REITs and active players of the same asset class • In the DCF analysis, costs associated with the disposal such as legal fees and sales commission at the end of investment period have also been accounted for • The discount rate of 7.0% takes into account the risk-free rate in Singapore and the typical rate of return of the asset class over a 10-year period
Market value adopted	S$859.7mn	S$859.0mn

Figure 4.1.3

Sources: Singapore Independent Valuers reports
Notes:
*(1) In Cushman's independent valuation report, **Master Tenant Facility** refers to the existing high-specifications manufacturing facility ("**High-Specifications Industrial Segment**") leased to REC Solar, including 1,562 sqm of space in Phase 1 Warehouse; **ramp-up warehouses** refers to newly constructed four-storey ("**Phase 1 Warehouse**") and two-storey ("**Phase 2 Warehouse**") ramp-up warehouses (Phase 1 Expansion and Phase 2 Expansion warehouses are referred as "**Logistics Segment**").*
*(2) In Savill's independent valuation report, **High-Specifications Buildings** refers to the High-Specifications Industrial Segment in addition to 1,562 sqm area from the Phase 1 Warehouse; **Phase 1 Warehouse** refers to the Phase 1 Warehouse excluding the 1,562 sqm area leased to REC Solar; **Phase 2 Warehouse** refers to the Phase 2 Warehouse.*
(3) We note from Cushman that the primary adjustments were made relating to the tenure and age of the ramp-up warehouses due to the unique long outstanding tenure when compared to comparable properties, through the use of a bala table, which is based on market practice.

We have made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the respective valuation reports.

Both Singapore Independent Valuers took into account the location, property type (high-specifications manufacturing facility, ramp-up warehouse/logistics), tenure, age/time factor, size, specifications, long underlying land lease of c.44.0 years as well as the existing tenancies and the pre-committed occupational arrangements, in their valuation. In addition, they also took into account the land premium for the second 30-year term of the land when arriving at the Market Value of the New Singapore Property.

We note that based on the 2022 Edition of Valuation Standards and Practice Guidelines published by the SISV, when a DCF analysis is used, the cash flow projection is made over the investment horizon which is typically adopted for a period of 10 years. Thereafter, the property is assumed to be sold at the commencement of the 11th year of the cash flow. We understand that the valuation reports in respect of the New Singapore Property have been prepared in compliance with SISV's 2022 Edition of Valuation Standards and Practice Guidelines.

The approaches undertaken by the Singapore Independent Valuers are widely accepted methods in Singapore and are based on established methodologies for the purpose of valuing income producing high-specifications manufacturing and logistics properties with medium-term leases respectively, however, may not reflect the value of properties with a unique long-term lease.

4.1.4 Comparison to Publicly Available Market Benchmarks

For the purpose of assessing the implied capitalisation rate used by the Singapore Independent Valuers with regards to the New Singapore Property, we have taken reference to publicly available estimates of capitalisation rates in which the New Singapore Property operates (the "**Public Benchmarks**") with specific sources provided in notes 1 and 2 to the table below.

We have had discussions with the Management about the suitability and reasonableness of the Public Benchmarks acting as a basis for comparison with the rates adopted by the Singapore Independent Valuers. Relevant information has been extracted from publicly available research reports. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The underlying assumptions of the Public Benchmarks with respect to the values which market capitalisation rates were derived may differ from that of the New Singapore Property.

We have compared the capitalisation rates adopted by the Singapore Independent Valuers to the Public Benchmarks as follows:

Property type	Public benchmark capitalisation rates (CBRE) (1)	Public benchmark capitalisation rates (Colliers) (2)	Capitalisation rates adopted by the Singapore Independent Valuers
Industrial/Logistics	6.00% to 7.50%	5.25% to 6.25%	5.25% to 5.50%

Figure 4.1.4

Source: Market research reports by CBRE and Colliers (CBRE – APAC Cap Rate Survey Q1 2024; Colliers – APAC Cap Rates Q1 2024)

Notes:

(1) Capitalisation rates range estimates from CBRE for institutional grade logistics (citywide) as at March 2024.

(2) Capitalisation rates range estimates from Colliers for industrial as at March 2024.

Based on the table above, we note that:

(i) the capitalisation rates adopted by the Singapore Independent Valuers is within the range of Colliers public benchmark; and

(ii) the capitalisation rates adopted by the Singapore Independent Valuers is lower than the range of CBRE public benchmark. We note that CBRE's estimates takes into account citywide institutional grade logistics facilities which have a wider range of lease period, yields, and asset quality.

Based on our discussions with the Singapore Independent Valuers, we further noted that there are several key characteristics that has resulted in a lower capitalisation rate being adopted for the New Singapore Property. The key characteristics are highlighted as below:

(i) the ramp-logistics warehouse is newly constructed, with Temporary Occupational Permits ("**TOP**") issued recently in 2022. The warehouse has Green Mark Platinum certification;

(ii) the high-specifications manufacturing facility is appropriately specified for the manufacturing of solar panels;

(iii) has a GFA of 2,704,855 sq ft;

(iv) has a remaining lease tenure of 44.0 years;

(v) has occupancy of 99.7%; and

(vi) is of close proximity to Tuas Mega Port which is part of Urban Redevelopment Authority ("**URA**") 2019 master plan which, we understand from the Singapore Independent Valuers, will create demand for both logistics space and warehousing space for specialised storage.

4.1.5 Comparison to Precedent Transactions

We have identified a list of high-specifications industrial and logistics property transactions that took place in Singapore's from 2020 to 2024 for which information is publicly available and have extracted the relevant information ("**Comparable Transactions**") in order to compare the implied price on GFA of the Comparable Transactions. We make reference to the Singapore Independent Valuers' direct comparisons for our overall consideration.

Given that the tenure of the Comparable Transactions is lower than the New Singapore Property, we have adjusted the price on GFA to a 44-year balance tenure basis using bala table[25].

The information in the tables below are for illustration purposes only. The Comparable Transactions might differ from the New Singapore Property in terms of property size and design, property age, location, accessibility, land title, tenure, future prospects, operating history, branding and other relevant criteria. There is no property under the Comparable Transactions which may be considered identical to the New Singapore Property in terms of the abovementioned factors.

For the above reasons, while the Comparable Transactions taken as a whole may provide a broad and indicative benchmark for assessing the Singapore Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

We also noted based on our research and from the Singapore Independent Valuers that the High-Specifications Industrial Segment is challenging to benchmark against historical Comparable Transactions due to the unique usage and function. The high-specifications industrial property transactions Comparable Transactions are included for illustrative reference.

25 Refers to the Singapore Land Authority's ("**SLA**") leasehold table that compares values across different tenures and land valuation.

Date	Property	Gross floor area	Land tenure[1]	Transacted Price	Price on GFA	Bala adjusted price on GFA[2]
		sq ft	Years	S$'mn	S$/sq ft	S$/sq ft
High-specifications industrial properties						
Aug-22	Philips APAC Center	408,759	21	104.8	256.39	368.78
Market value of the High-Specifications Industrial Segment						
Agreed Value		**1,599,271**	**44.0**	**563.0**	**352.04**	
Logistics properties						
Jun-23	3 Pioneer Sector 3	716,510	27	95.0	132.59	165.91
May-21	Global Trade Logistics Centre	524,115	29	112.0	213.69	257.88
Aug-20	7 Bulim Street	733,990	22	129.6	176.61	247.53
Min					**132.59**	**165.91**
Mean					**174.30**	**223.77**
Median					**176.61**	**247.53**
Max					**213.69**	**257.88**
Market value of the Logistics Segment						
Agreed Value		**1,105,584**	**44.0**	**277.0**	**250.55**	

Figure 4.1.5

Sources: Company filings, market research
Notes:
(1) Refers to the remaining term of lease of the underlying land
*(2) Bala adjusted price on GFA is adjusted using the following formula: price on GFA *(% Freehold value for 44-year leasehold /% Freehold value for the remaining tenure of the property)*

Based on the tables above, we note that:

(i) the Agreed Value of the High-Specifications Industrial Segment is below the bala adjusted price on GFA of the high-specifications precedent industrial property transaction;

(ii) the Agreed Value of the Logistics Segment is above the mean and median of the bala adjusted price on GFA of the precedent comparable logistics property transactions, but within the range of bala adjusted price on GFA for comparable logistics property transactions.

We refer to Paragraph 4.1.4 of this Letter for other characteristics of the New Singapore Property we considered in reviewing the Comparable Transactions.

4.1.6 COMPARISON TO THE EXISTING TRADING COMPARABLES

We have also identified a list of high-specifications industrial and logistics properties currently trading which information is publicly available and have extracted the relevant information ("**Trading Comparables**") in order to compare the implied price on GFA of the Trading Comparables.

On the same basis as the Comparable Transactions, Trading Comparables have been adjusted for a 44-year balance tenure using the bala table and the tables below are for illustration purposes only. There are no Trading Comparables which may be considered identical to the High-Specifications Industrial Segment of the New Singapore Property and might differ in characteristics as explained in Paragraph 4.1.5 of this Letter.

For the above reasons, while the Trading Comparables taken as a whole may provide a broad and indicative benchmark for assessing the Singapore Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

We also noted based on our research and from the Singapore Independent Valuers that the High-Specifications Industrial Segment is challenging to benchmark against Trading Comparables due to the unique usage and function. The high-specifications industrial property transactions Trading Comparables are included for illustrative references.

Period ended	Property	Gross floor area	Land tenure[1]	Valuation	Price on GFA	Bala adjusted price on GFA[2]
		sq ft	Years	S$'mn	S$/sq ft	S$/sq ft
High-Specifications industrial properties						
Dec-23	Techpoint	603,930	28	151.0	250.03	306.93
Dec-23	Techview	548,798	33	173.7	316.51	358.85
Dec-23	7000 & 7002 Ang Mo Kio Avenue 5	1,339,038	33	363.4	271.39	307.69
Dec-23	Ubix	184,032	32	66.8	362.98	417.52
Min					**250.03**	**306.93**
Mean					**300.23**	**347.75**
Median					**293.95**	**333.27**
Max					**362.98**	**417.52**
Market value of the High-Specifications Industrial Segment						
Agreed Value		**1,599,271**	**44.0**	**563.0**	**352.04**	
Logistics properties						
Dec-23	20 Tuas Avenue 1	478,445	33	96.0	200.65	227.49
Dec-23	Global Trade Logistics Centre	524,115	26	109.0	207.97	265.37
Mar-24	3 Tuas Avenue 2	267,913	31	56.0	209.02	243.97
Mar-24	30 Tuas West Road	288,661	31	56.4	195.39	228.06
Mar-24	7 Bulim Street	733,990	18	139.4	189.92	300.50
Min					**189.92**	**227.49**
Mean					**200.59**	**253.08**
Median					**200.65**	**243.97**
Max					**209.02**	**300.50**
Market value of the Logistics Segment						
Agreed Value		**1,105,584**	**44.0**	**277.0**	**250.55**	

Figure 4.1.6

Sources: Company filings, market research
Notes:
(1) *Refers to the remaining term of lease of the underlying land*
(2) *Bala adjusted price on GFA is adjusted using the following formula: price on GFA *(% Freehold value for 44-year leasehold /% Freehold value for the remaining tenure of the property)*

Based on the tables above, we note that:

(i) the Agreed Value of the High-Specifications Industrial Segment is above the mean and median, but within the range of bala adjusted price on GFA for trading comparable high-specifications industrial properties. We note that there are no close comparisons for the High-Specifications Industrial Segment due to the unique function of the facility. We note that the master lease is on a term longer than what is observed for Trading Comparables;

(ii) the Agreed Value of the Logistics Segment is below the mean, above the median, and within the range of bala adjusted price on GFA for trading comparable logistics properties.

We refer to Paragraph 4.1.4 of this Letter for other characteristics of the New Singapore Property we considered in reviewing the Trading Comparables.

4.1.7 COMPARISON TO THE EXISTING PROPERTY PORTFOLIO

We set out in the following table the NPI yield analysis of the Singapore Acquisition and the existing portfolio of E-LOG:

Financials for FY2023A	E-LOG (existing global portfolio) (1)	E-LOG (existing Singapore portfolio)	New Singapore Property
Valuation	S$4,094.9mn	S$3,251.5mn	S$840.0mn
Weighted average land lease expiry ("**WALLE**")	40.0 years	29.0 years	44.0 years
NPI yield	5.7%	6.0%	6.1%

Figure 4.1.7

Source: Management of E-LOG
Note:
(1) Includes Singapore portfolio

As illustrated in the table above, we note that:

(i) the remaining land lease of the New Singapore Property of 44 years is higher than E-LOG's existing global and Singapore portfolio's WALLE of 40.6 years and 29.5 years respectively; and

(ii) the NPI yield of the New Singapore Property of 6.1% is higher than the NPI yield of the existing E-LOG global and Singapore portfolio for FY2023 of 5.7% and 6.0% for respectively.

4.1.8 PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITIONS

The pro forma financial effects of the Acquisitions (including the Singapore Acquisition and the Japan Acquisition) is extracted below. We note that the pro forma financial effects of the Acquisitions are evaluated in aggregate due to the common financing pool utilised. As this is on an aggregated basis, it is for illustrative purposes only and does not form part of our opinion. The pro forma financial effects of the Acquisitions are set out in Paragraph 5.2 of the Letter to Unitholders in the Circular.

The illustrative pro forma financial effects are tabled as follows:

Pro forma financial effects of the Acquisitions for FY2023 as at 31st December 2023	**Actual FY2023**	**After the Acquisitions**
Amount available for distribution (S$'000)	192,698	208,062
Applicable Number of Units ('000)	7,515,523	7,878,611
DPU (cents)	2.564	2.641
Accretion / (Dilution)	**-**	**3.0%**
NAV and NTA (S$'000)	2,463,150	2,570,106
Number of issued Units ('000)	7,689,164	8,042,568
NAV and NTA per Unit (cents)	32.0	32.0
Accretion / (Dilution)	**-**	**-**
Aggregate Leverage	**35.7%**	**41.0%**

Figure 4.3.1

Source: Management of E-LOG

(See Appendix B of the Letter to Unitholders in the Circular for the bases and assumptions underlying the pro forma financial effects of the Acquisitions for further details.)

4.1.9 Rationale for the Preferential Offering

The Manager intends to use the net proceeds from the Preferential Offering to partially fund the Acquisitions. The Preferential Offering will help to further strengthen E-LOG's balance sheet sheet, optimise its capital structure and enhance its financial flexibility. Without the Preferential Offering and had the Manager opted to fund both the Acquisitions with (i) debt financing, (ii) the issuance of LOGOS Consideration Units, (iii) the issuance of Ivanhoe Consideration units and (iv) S$100.0 million of the proceeds raised from issurance of Perpetual Securities, E-LOG's pro forma aggregate leverage post the Acquisitions would have increased to 42.7%. Assuming the net proceeds from the Preferential Offering is used to partially fund both the Acquisitions instead of using debt financing, E-LOG's pro forma aaggregate leverage post the Acquisitions is expected to be 41.0% instead.

4.1.10 Pro-Rata Entitlement to the Preferential Offering

We note that all Unitholders will be entitled to subscribe to the Preferential Offering on a pro-rata, non-renounceable basis. The Issue Price of the Preferential Offering has been set at S$0.305 per new Unit, which is:

(i) at a premium to the closing market price of S$0.275 as at the day prior to the announcement of the Acquisitions[26];

(ii) at a premium to the closing market price of S$0.290 as at the Latest Practicable Date; and

(iii) at the NAV per Unit of S$0.305 as at 30 June 2024.

26 Please refer to the announcement titled "*The Proposed Acquisition of (I) 100% Trust Beneficiary Interest in ESR Yatomi Kisosaki Distribution Centre in Japan; and (II) 51.0% Interest in 20 Tuas South Avenue 14 in Singapore*" dated 31 July 2024.

In connection with the Preferential Offering, the Sponsor has provided the ESR IU to procure the subscription by e-Shang Infinity of up to S$140.0 million (comprising the ESR Pro-Rata of up to S$17.4 million and the ESR Excess of up to S$122.6 million). e-Shang Infinity's undertaking to subscribe for the ESR Excess Units shall be reduced by any amount raised from (i) the Third Party Proceeds and (ii) the Perpetual Securities Proceeds, in excess of S$48.2 million.

For the avoidance of doubt, apart from e-Shang Infinity Cayman Limited, the other Sponsor entities which hold Units would not be applying for their pro rata entitlement.

4.1.11 COMPARISON OF ISSUE PRICE OF CONSIDERATION UNITS AND UNDER THE PREFERENTIAL OFFERING TO PRECEDENT PLACEMENTS

As part of our analysis, we have considered the details of selected completed placements undertaken by REITs listed on the SGX-ST, where there was a placement of units or stapled securities to an interested person (the "**Precedent Placements**").

We set out below, for illustrative purposes only, examples of Precedent Placements for the period commencing 1 January 2021 up to the Latest Practicable Date. In our analysis of similar offerings of units or stapled securities, we have not included fund raising exercises by way of rights issues:

REITs	**Date of placement announcement**	**Unitholding of the interested person prior to placement**	**Total proceeds from placement**	**Issue/ Subscription price**	**Premium / (Discount) to VWAP for trades done on the SGX-ST for the Market Date**[(1)]
		%	**S$'mn**	**S$**	**%**
Digital Core REIT	07-Feb-24	n.a.	161.6[(2)]	0.841[(2)]	(5.0)
Frasers Centrepoint Trust	25-Jan-24	n.a.	200.0	2.180	(4.7)
CapitaLand Ascott Trust	02-Aug-23	29.46	200.0	1.043	(6.8)
Ascott Residence Trust	15-Aug-22	n.a.	170.0	1.120	(4.5)
Lendlease Global Commercial REIT	22-Mar-22	26.53	400.0	0.725	(9.0)
Mapletree Logistics Trust	23-Nov-21	31.59	400.0	1.880	(3.5)
Ascendas REIT	04-May-21	17.37	420.0	2.944	(5.2)
Keppel REIT	18-Feb-21	n.a.	270.0	1.130	(4.1)
E-LOG	**-**	**-**	**-**	**0.305**	**10.9**

Figure 4.3.3

Source: Company filings
Notes:
(1) *Refers to the full market day or the proceeding full market day, as the case may be, on which the placement agreements were signed*
(2) *Translated from at a rate of USD:SGD of 1.3463, representing the opening trading price for the private placement shares on 20 February 2024*

Based on our review, we note that:

(i) all Precedent Placements have been at a discount to the VWAP for trades done on the SGX-ST for the Market Date; and

(ii) any equity raised to fund the Acquisitions been set at S$0.305 which represents a premium to the market price of S$0.275 as at the date of announcement of the Acquisitions and at the NAV per Unit of S$0.305 as at 30 June 2024.

For any equity capital raise, the higher the issue price relative to the traded price, the less dilutive it will be to unitholders.

4.2 Other Relevant Considerations Which May Have a Significant Bearing on Our Assessment

4.2.1 Certain terms and conditions of the Singapore Shareholders Agreement

We note that the Singapore Shareholders Agreement contains provisions relating to the Singapore Acquisition. We have reviewed and considered them in the context of the Singapore Acquisition.

4.2.2 Singapore Income Support

We note that E-LOG intends to hedge interest rate exposure for the debt used to finance the Singapore Acquisition. Due to the current volatility across Singapore interest rates, there is uncertainty as to the level of interest rate E-LOG is able hedge on completion of the Singapore Acquisition. Accordingly, notwithstanding the New Singapore Property operating at a stabilised occupancy of 99.7%, adverse movements in interest rates may result in lower net income.

We note that the Singapore Income Support is for the purpose of addressing the above-mentioned situation where changes in interest rate would affect the net income of the New Singapore Property. We have considered it in the context of the Singapore Acquisition. For the avoidance of doubt, while the Singapore Income Support is mainly to address the interest rate volatility, E-LOG will still be able to draw on the Singapore Income Support Amount if the Singapore Actual Net Income falls short of the Singapore Target Net Income due to other factors such as lower actual gross rents or higher actual operating expenses during the Singapore Income Support Period.

Therefore, the income support is beneficial to E-LOG as it helps to bridge the shortfall between the Singapore Actual Net Income and the Singapore Target Net Income during the Singapore Income Support Period. This mitigates short-term risks associated with interest rate volatility and any other factors which may negatively impact the New Singapore Property after the Acquisition.

Furthermore, we note that income support is not uncommon among other REITs listed on the SGX-ST.

(See Paragraph 3.5 of the Letter to Unitholders in the Circular for further details of the Deed of Income Support.)

4.2.3 Existing Interested Person Transaction

The value as well as the details and internal control procedures of the Existing Interested Person Transaction conducted in the current financial year has been disclosed in Appendix G of the Letter to Unitholders in the Circular.

The Existing Interested Person Transaction has been subject to internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interest of E-LOG and its minority Unitholders. These procedures include the review and approval of such transactions by the Audit, Risk Management and Compliance Committee of the Manager, as appropriate.

For the Existing Interested Person Transaction, as shown in the table in Appendix G, DTCF was appointed to advise the Independent Directors, the ARCC and the Trustee, for internal purposes. We conducted the analysis in the same manner we would have, if we were appointed as IFA, pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix. In our letter, we provided the opinion that the investment is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

We have taken into account the following factors which we consider to have a significant bearing on our assessment on the investment in ESR Japan Income Fund ("**JIF**") for US$70.0 million (the "**Investment**") in arriving at our opinion above:

All capitalised terms and expression not defined from this section shall have the same meaning as those defined in the announcement titled "US$70.0 Million Investment In ESR Japan Income Fund" dated 01 February 2024.

(i) rationale for and key benefits of the Investment;

(ii) the approaches undertaken by the Independent Valuers are widely accepted methods in Japan, and appropriate for the purpose of valuing tenanted, income producing logistics properties with long term leases;

(iii) the methodology and key assumptions of the Independent Valuers are consistent with market standards;

(iv) the total JIF Property Values is at a discount compared to the total Final Appraised Value for both Colliers and Daiwa;

a. the individual JIF Property Value is at a discount from the individual Final Appraisal Value adopted by Colliers;

b. the individual JIF Property Value is at a discount from, with the exception of ESR Kawasaki Yako DC (at a premium to), ESR Aisai and ESR Nanko 1 (similar to), the individual Final Appraisal Value adopted by Daiwa;

(v) the capitalisation rates of 3.40% to 3.80% for the JIF Properties is within the range of Public Benchmarks noted in the publicly available research reports;

(vi) the target CoC yield of 5.0% is above the mean and median but within the range of dividend yields of the selected J-REITs and S-REITs;

(vii) for 31 December 2023, the pro forma effects of the Investment on the DPU will increase from 2.56 cents to 2.61 cents;

(viii) as at 31 December 2023, there is no material change to the NAV per unit of S$0.32;

(ix) as at 31 December 2023 the aggregate leverage will increase from 35.7% to 37.0%. This is below the current MAS recommended aggregate leverage of 45.0%, where the ICR is below 2.5 times

5. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Singapore Acquisition (including the Singapore Income Support, the issuance of the LOGOS Consideration Units and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement):

(i) rationale for and key benefits of the Singapore Acquisition holistically, to the extent that they pertain to the New Singapore Property;

(ii) the Agreed Value is slightly below the Market Value adopted by the Singapore Independent Valuers, and the approaches undertaken by the Singapore Independent Valuers are widely accepted methods in Singapore, and appropriate for the purpose of valuing tenanted, income producing high-specifications manufacturing facilities and warehouse/logistics properties;

(iii) the capitalisation rates adopted by the Singapore Independent Valuers is within the range of Colliers public benchmark;

(iv) the capitalisation rates adopted by the Singapore Independent Valuers is lower than the range of CBRE public benchmark. We note that CBRE's estimates takes into account citywide institutional grade logistics facilities which have a wider range of lease period, yields, and asset quality;

(v) the Agreed Value for the High-Specifications Industrial Segment is below the bala adjusted price on GFA of the precedent comparable high-specifications industrial property transaction;

(vi) the Agreed Value for the Logistics Segment is above the mean and median of the bala adjusted price on GFA of the precedent comparable logistics property transactions but within the range of bala adjusted price on GFA for comparable logistics property transactions;

(vii) the Agreed Value of the High-Specifications Industrial Segment is above the mean and median, but within the range of bala adjusted price on GFA for trading comparable high-specifications industrial properties. We note that there are no close comparisons for the High-Specifications Industrial Segment due to the unique function of the facility. We note that the master lease is on a term longer than what is observed for Trading Comparables;

(viii) the Agreed Value of the Logistics Segment is below the mean, above the median, but within the range of bala adjusted price on GFA for trading comparable logistics properties;

(ix) the remaining land lease of the New Singapore Property of 44.0 years is higher than E-LOG's existing global and Singapore portfolio's WALLE of 40.0 years and 29.0 years respectively;

(x) the NPI yield of the New Singapore Property of 6.1% is higher than the NPI yield of the existing E-LOG global and Singapore portfolio for FY2023 of 5.7% and 6.0% for respectively; and

(xi) the income support is beneficial to E-LOG as it helps to bridge the shortfall between the Singapore Actual Net Income and the Singapore Target Net Income during the Singapore Income Support Period. This mitigates short-term risks associated with interest rate volatility and any other factors which may negatively impact the New Singapore Property after the Acquisitions.

(xii) that Unitholders have a pro-rata entitlement to the Preferential Offering; and

(xiii) the Consideration Units and Units under the Preferential Offering will be issued at S$0.305 per Unit, which represents a premium to the market price of S$0.275 as at the date of announcement of the Acquisitions and at the NAV per share of S$0.305 as at 30 June 2024.

Having considered the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at Latest Practicable Date, we are of the opinion that the:

Proposed Singapore Acquisition (including the Singapore Income Support, the issuance of the LOGOS Consideration Units and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement) is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

Accordingly, we advise that the Independent Directors and ARCC may recommend that the Unitholders vote in favour of the Singapore Acquisition (including the Singapore Income Support, the issuance of the LOGOS Consideration Units and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement).

Our recommendation is issued pursuant to Listing Rule 921(4)(a) as well as to advise the Independent Directors, the ARCC and the Trustee for their benefit in connection with and for the purpose of their consideration of the Singapore Acquisition (including the Singapore Income Support, the issuance of the LOGOS Consideration Units and the entry into the Singapore Shareholder Agreement and the Singapore LLP Agreement). Any recommendation made by the Independent Directors and ARCC in respect of the Singapore Acquisition and Proposed Issuance of Consideration Units shall remain their responsibility.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee
Executive Director

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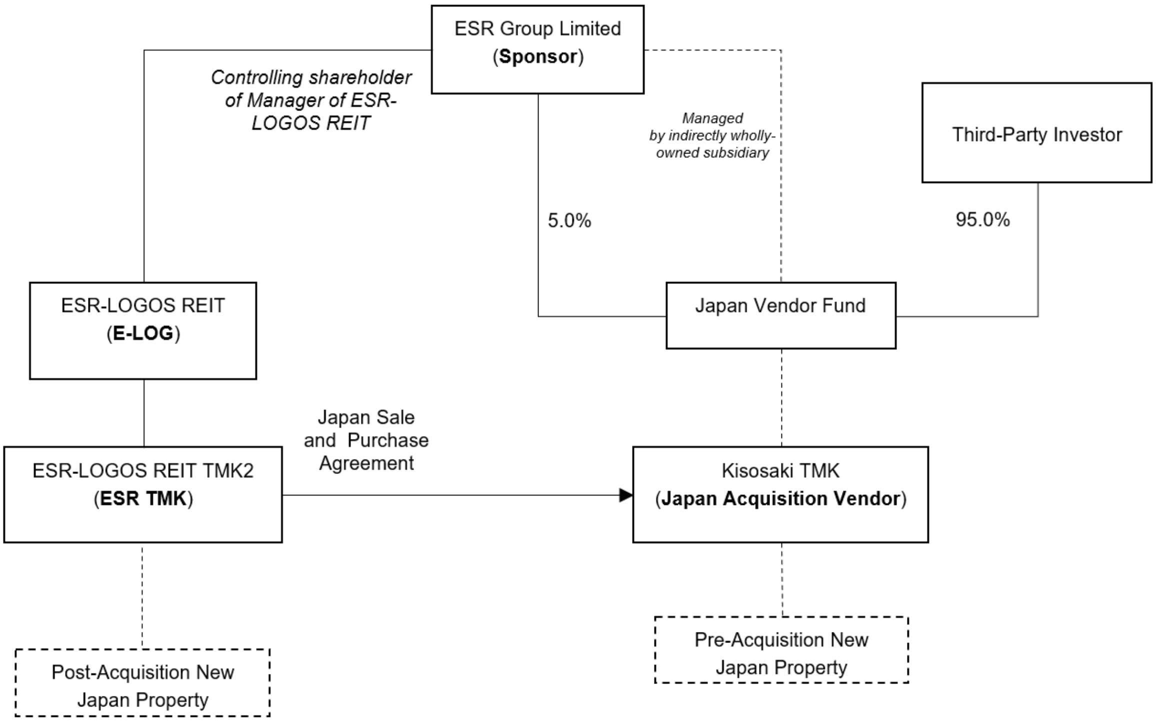
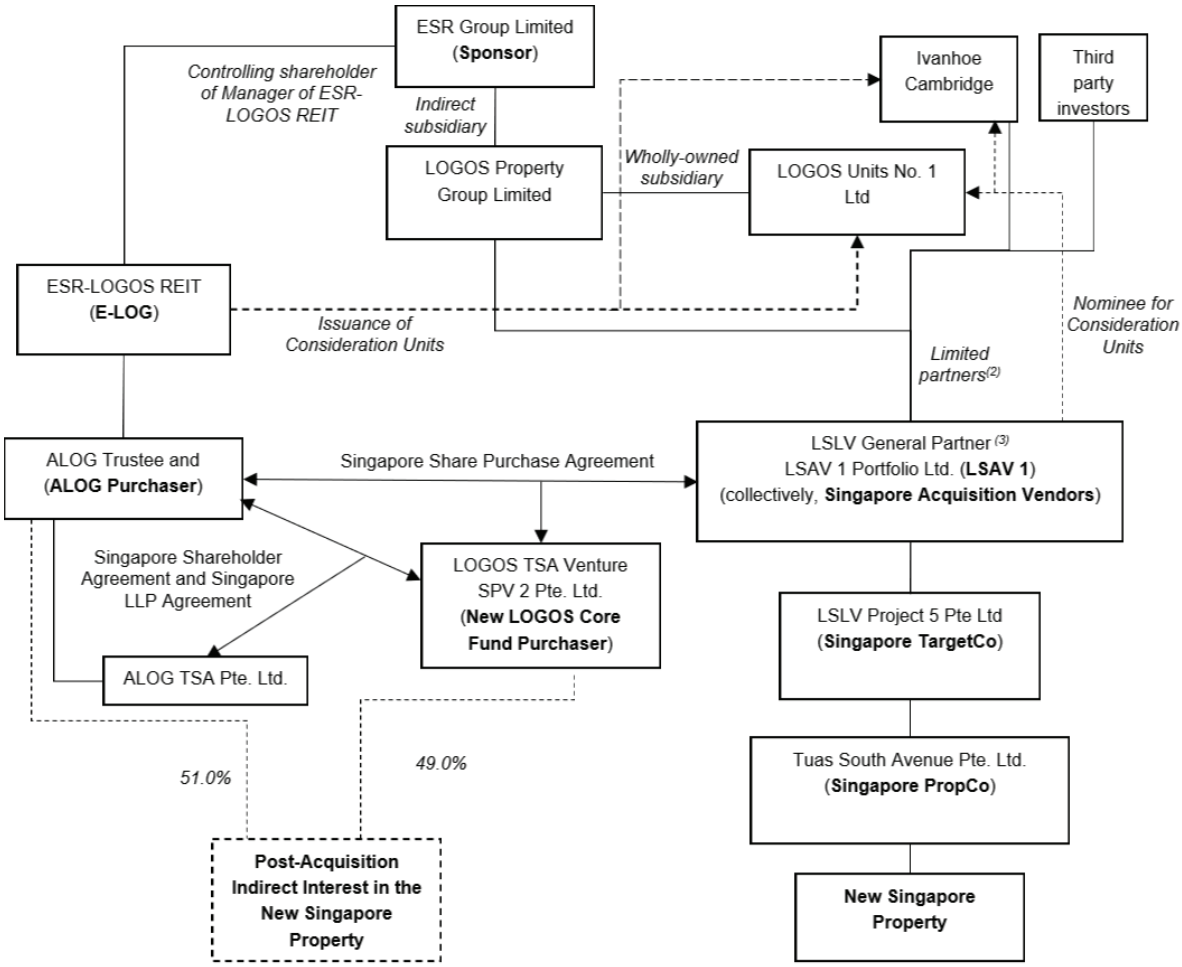
APPENDIX F

RELATIONSHIP BETWEEN INTERESTED PERSONS AND E-LOG (JAPAN ACQUISITION)



Note: The above chart is a simplified holding chart to show the structure of the transaction and the relationship between the parties. Accordingly, the various intermediate holding entities are not represented in the chart above.

RELATIONSHIP BETWEEN INTERESTED PERSONS AND E-LOG (SINGAPORE ACQUISITION) (1)



Notes:

(1) The above chart is a simplified holding chart to show the structure of the transaction and the relationship between the parties. Accordingly, the various intermediate holding entities are not represented in the chart above.

(2) The fund which holds LSAV 1 is held by LOGOS LSAV 1 Investor, a wholly-owned subsidiary of LOGOS Property Group Limited, Ivanhoe Cambridge Asia Inc. and another third party limited partner.

(3) LSLV General Partner is the general partner of the fund which holds LSAV 1.

APPENDIX G

EXISTING INTERESTED PERSON TRANSACTIONS

The table below sets out details of the Existing Interested Person Transactions entered into between E-LOG and the Sponsor and its subsidiaries and associates during the course of the current financial year up to the Latest Practicable Date, which are the subject of aggregation pursuant to Rule 906 of the Listing Manual.

No.	Interested Person	Nature of Transaction	Value of Transaction (S$ million)
1	ESR Luxembourg GP S.à r.l. and ESR Singapore Pte. Ltd.	Investment in ESR Japan Income Fund ("**JIF**") for US$70.0 million	93.0
		Total	93.0

The Existing Interested Person Transactions have been subject to internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interest of E-LOG and its minority Unitholders. These procedures include the review and approval of such transactions by the Audit, Risk Management and Compliance Committee of the Manager, as appropriate.

Details of the Existing Interested Person Transactions

(1) ESR Luxembourg GP S.à r.l.is wholly-owned by ESR Singapore Pte. Ltd., which in turn is a wholly-owned subsidiary of the Sponsor. Both ESR Luxembourg GP S.à r.l. and ESR Singapore Pte. Ltd. are in charge of the management of JIF. Accordingly, the subscription between JIF (being a fund managed by indirect subsidiaries of the Sponsor, which is in turn a "controlling shareholder" of the Manager) and E-LOG, through the Trustee, will constitute an "interested person transaction". For additional details, please refer to the announcement titled "*US$70.0 Million Investment In ESR Japan Income Fund*" dated 1 February 2024.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

ESR-LOGOS REAL ESTATE INVESTMENT TRUST

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

NOTICE OF EXTRAORDINARY GENERAL MEETING OF UNITHOLDERS OF ESR-LOGOS REIT

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of the unitholders of ESR-LOGOS REIT ("**E-LOG**", and the holders of units of E-LOG, "**Unitholders**") will be convened and held at Jasmine Ballroom, Level 3, Marina Bay Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956, 9 October 2024 (Wednesday) at 10:00 a.m. (Singapore time), to consider and, if thought fit, to pass, with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITION OF 100.0% TRUST BENEFICIARY INTEREST IN THE NEW JAPAN PROPERTY (AS DEFINED HEREIN) BEING A DISTRIBUTION CENTRE LOCATED IN NAGOYA, JAPAN, AS AN INTERESTED PERSON TRANSACTION

RESOLVED that, subject to and contingent upon the passing of Ordinary Resolution 2 and Ordinary Resolution 3:

(i) approval be and is hereby given for the acquisition of the logistics property known as ESR Yatomi Kisosaki Distribution Centre located at 1- 3-4 chome and others, Shinwa, Kisosaki-cho, Kuwana-gun, Mie-ken (the "**New Japan Property**"), by way of an acquisition of 100% of the trust beneficiary interest in the New Japan Property (the "**Japan Acquisition**");

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

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

(iv) ESR-LOGOS Funds Management (S) Limited, as manager of E-LOG (the "**Manager**"), any director of the Manager ("**Director**"), and Perpetual (Asia) Limited, as trustee of E-LOG (the "**Trustee**"), be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of E-LOG to give effect to the Japan Acquisition, and all transactions contemplated under the Japan Acquisition, and in this connection, the board of directors of the Manager (the "**Board**") be hereby authorised to delegate such authority to such persons as the Board deems fit.

ORDINARY RESOLUTION 2

THE PROPOSED ACQUISITION OF 51.0% INTEREST IN THE NEW SINGAPORE PROPERTY (AS DEFINED HEREIN) AND THE PROPOSED ISSUANCE OF THE LOGOS CONSIDERATION UNITS (AS DEFINED IN THE CIRCULAR), AS INTERESTED PERSON TRANSACTIONS, AND THE PROPOSED ISSUANCE OF IVANHOE CONSIDERATION UNITS (AS DEFINED IN THE CIRCULAR)

RESOLVED that, subject to and contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 3:

(i) approval be and is hereby given for the acquisition of a Singapore property comprising a high-specifications manufacturing facility and newly constructed ramp-up logistics warehouses with modern specifications located at 20 Tuas South Avenue 14, Singapore 637312 (the "**New Singapore Property**"), by way of an acquisition of 51.0% of the shares in LSLV Project 5 Pte Ltd (the "**Singapore TargetCo**"), which indirectly holds the New Singapore Property (the "**Singapore Acquisition**") as described in the circular dated 24 September 2024 (the "**Circular**");

(ii) the entry into the share purchase agreement (the "**Singapore Share Purchase Agreement**") with LOGOS TSA Venture SPV 2 Pte. Ltd., LSAV 1 Portfolio Ltd. and LSLV General Partner to acquire 51.0% of the shares of the of the shares in the Singapore TargetCo, which upon the completion of the Singapore Acquisition, the Singapore TargetCo will hold 100.0% of the shares in Tuas South Avenue Pte. Ltd. (the "**Singapore PropCo**"), which in turn holds the New Singapore Property, and all documents required to be executed or assigned by the parties in order to give effect to the Singapore Acquisition, is hereby approved and (as the case may be) ratified;

(iii) the entry into the shareholders' agreement (the "**Singapore Shareholder Agreement**") with LOGOS TSA Venture SPV 2 Pte. Ltd. with respect to the Singapore TargetCo, and all documents required to be executed or assigned by the parties in order to give effect to the Singapore Acquisition and/or the Singapore Shareholder Agreement (including the amalgamation of the Singapore TargetCo and the Singapore PropCo and its conversion to a limited liability partnership and the entry into the limited liability partnership with LOGOS TSA Venture SPV 2 Pte. Ltd. with respect to the amalgamated entity), is hereby approved and (as the case may be) ratified;

(iv) approval be and is hereby given for the issue, in the manner described in the Circular, such number of Consideration Units (as defined in the Circular) to LOGOS Units No. 1 Ltd and, if applicable, Ivanhoe Cambridge Asia Inc (being the Singapore Acquisition Vendor's nominees) in relation to the Singapore Acquisition;

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

(vi) the Manager, any Director, and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of E-LOG to give effect to the Singapore Acquisition and the issue of Consideration Units, and all transactions contemplated under the Singapore Acquisition, and in this connection, the Board be hereby authorised to delegate such authority to such persons as the Board deems fit.

ORDINARY RESOLUTION 3

THE PROPOSED ISSUANCE OF NEW UNITS UNDER THE PREFERENTIAL OFFERING, PURSUANT TO RULE 805(1) AND 816(2) OF THE LISTING MANUAL

RESOLVED that, subject to and contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 2:

(i) approval be and is hereby given for the issue of up to 308,196,721 new units in E-LOG ("**Units**") under the non-renounceable preferential offering (the "**Preferential Offering**") at an issue price of S$0.305 per new Unit in the manner described in the Circular; and

(ii) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of E-LOG to give effect to the Preferential Offering and all transactions therewith, and in this connection, the Board be hereby authorised to delegate such authority to such persons as the Board deems fit.

Unitholders should note that Resolution 1 (the Japan Acquisition), Resolution 2 (the Singapore Acquisition and the proposed issuance of Consideration Units) and Resolution 3 (the proposed issuance of Units under the Preferential Offering at S$0.305 per New Unit) are inter-conditional. In the event that any of Resolutions 1, 2 and 3 is not passed, the Manager will not proceed with the Japan Acquisition and the Singapore Acquisition.

BY ORDER OF THE BOARD

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

Adrian Chui
Chief Executive Officer and Executive Director

24 September 2024

Notes:

1. E-LOG will be conducting the EGM in a wholly physical format at Jasmine Ballroom, Level 3, Marina Bay Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on 9 October 2024 (Wednesday) at 10:00 a.m. (Singapore time). Any reference to a time of day is made by reference to Singapore time.

2. **Submission of Questions:**

   (a) All Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders will be able to submit questions in advance of, or at, the EGM.

   (b) In addition, all Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders can and are strongly encouraged to submit questions relating to the business of the EGM in advance of the EGM up till **1 October 2024 (Tuesday), 5.00 p.m.**, in the following manner:

      (i) Unitholders may submit their questions via email to ir@esr-logosreit.com.sg or by post addressed to Investor Relations at 5 Temasek Boulevard #12-09 Suntec Tower Five Singapore 038985. Submission electronically by email is strongly encouraged; and

      (ii) Relevant Intermediary Unitholders (including CPF/SRS investors) may submit questions through their Relevant Intermediary (including CPF Agent Banks/SRS Operators), who in turn should submit a consolidated list of questions to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teame@boardroomlimited.com.

   (c) Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders who submit questions in advance of the EGM should provide the following information to the Manager (or, in the case of Relevant Intermediary Unitholders, their Relevant Intermediary) for verification purposes:

      (i) your full name;

      (ii) your address, contact number and email; and

      (iii) the manner in which you hold Units (if you hold Units directly, please provide your CDP account number; otherwise, please state if you hold your Units through CPF or SRS, or are a Relevant Intermediary Unitholder).

   (d) The Manager will address all substantial and relevant questions received in advance, via an announcement on SGXNET via the SGX-ST's website at https://www.sgx.com/securities/company-announcements and E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html by **4 October 2024 (Friday), 10.00 a.m.** (being 48 hours prior to the closing date and time for the lodgement of proxy forms (the "**Proxy Form**")).

   (e) Any substantial and relevant questions or follow-up questions received after the submission deadline which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received at the EGM itself, will be addressed during the EGM.

   (f) Where substantially similar questions are received, the Manager will consolidate such questions and consequently, not all questions may be individually addressed.

   (g) The Manager will publish the minutes of the EGM on E-LOG's website and on SGXNET within one month after the EGM, and the minutes will include the substantial and relevant comments or queries from the Unitholders relating to the agenda of the EGM, and responses from the Manager.

3. **Voting by Unitholders**

   Unitholders who wish to exercise their voting rights at the EGM may:

   (i) (where the Unitholder is an individual) attend, speak and vote at the EGM in person;

   (ii) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf; and

   (iii) (where the Unitholder is an individual or a corporate) appoint the Chairman of the EGM as proxy to vote on their behalf.

   Live voting will be conducted during the EGM.

   Unitholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf must complete and submit the Proxy Form in accordance with the instructions below.

   Duly completed Proxy Forms must be deposited with E-LOG:

   (i) via post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or

   (ii) via email to srs.proxy@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF).

Note: Please refer to the Notes to the Proxy Form for additional documentary requirements in the event the Proxy Form is signed by an attorney or duly authorised officer or executor(s) on behalf of a deceased individual's estate.

Proxy Forms must be received by E-LOG by 6 October 2024 (Sunday), 10.00 a.m. (being 72 hours before the time appointed for the holding of the EGM). Proxy Forms can be downloaded from E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html or the SGX-ST's website https://www.sgx.com/securities/company-announcements. In the Proxy Form, a Unitholder should specifically direct the proxy on how he/she is to vote for, vote against, or abstain from voting on, each of the resolution to be tabled at the EGM. All valid votes cast via proxy on each resolution will be counted. If no specific direction as to voting is given, the proxy (including the Chairman of the EGM) may vote or abstain from voting at his/her discretion.

Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies (including the Chairman of the EGM) shall be deemed to be revoked if a Unitholder attends the EGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the number of Units to be represented by each proxy.

A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, 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 two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.

In this Notice of EGM, "**Relevant Intermediary**" means:

(i) a banking corporation licensed under the Banking Act 1970 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;

(ii) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds Units in that capacity; or

(iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, 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, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Unitholders are strongly encouraged to submit completed Proxy Forms via email. Please refer to the Proxy Form for further information.

4. **Voting by Relevant Intermediary Unitholders and CPF/SRS Investors:**

Relevant Intermediary Unitholders and CPF/SRS investors who wish to vote at the EGM should approach their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators as soon as possible. In the case of CPF/SRS investors, they must do so at least **seven working days** before the EGM (i.e. by **27 September 2024 (Friday), 5.00 p.m.**).

Relevant Intermediary Unitholders and CPF/SRS investors may:

(i) attend, speak and vote at the EGM, if they are appointed as proxies by their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators; and

(ii) specify their voting instructions to/arrange for their votes to be submitted with their respective Relevant Intermediaries/CPF Agent Banks/SRS Operators (in the case of CPF/SRS investors, by the date specified above).

Documents and information relating to the EGM (including this Notice of EGM, Circular to Unitholders and the Proxy Form) are available on E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html, and on the SGX-ST's website at https://www.sgx.com/securities/company-announcements. Unitholders and CPF/SRS investors can scan the QR Code below to access E-LOG's Circular to Unitholders and the Proxy Form.

For Unitholders' convenience, printed copies of this Notice of EGM, the Proxy Form and the Request Form for Unitholders to request for a printed copy of the Circular (the "Request Form") have been despatched to Unitholders.

Printed copies of the Circular will not be despatched to Unitholders, unless otherwise requested and have been published on E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html.

Unitholders may request for printed copies of the Circular by completing and returning the Request Form to the Manager by 2 October 2024 (Wednesday), 5:00 p.m..

Unitholders should note that the manner of conduct of the EGM may be subject to further changes at short notice. Unitholders are advised to check E-LOG's website at https://esr-logosreit.listedcompany.com/meetings.html and SGXNET regularly for updates. Alternatively, Unitholders may sign up for email alerts at https://esr-logosreit.listedcompany.com/email_alerts.html to receive the latest updates.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, (b) registering for the EGM in accordance with this Notice of EGM, and/or (c) submitting any question relating to the business of the EGM in advance of the EGM in accordance with this Notice of EGM, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and/or the Trustee (or their agents or service providers) for the following purposes (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/or the Trustee (or their agents or service providers), 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/or the Trustee (or their agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Manager and/or the Trustee with written evidence of such prior consent upon reasonable request, and (iv) agrees that the Unitholder will indemnify E-LOG, the Manager and the Trustee (or their agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty:

1 the processing, administration and analysis by the Manager and/or the Trustee (or their agents or service providers) of instruments appointing a proxy(ies) and/or representative(s) for the EGM (including any adjournment thereof);

2 the processing of the registration for purposes of verifying the status of Unitholders, granting access to Unitholders (or their duly appointed proxy(ies)) to the EGM and providing them with any technical assistance where necessary;

3 the addressing of relevant and substantial questions received from Unitholders in advance of the EGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;

4 the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and

5 in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Please glue and seal along the edge)

ESR-LOGOS REIT

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

Managed by ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED
(Company Registration Number: 200512804G)

IMPORTANT:

1. Holders of units in ESR-LOGOS REIT ("**Unitholders**") who wish to exercise their voting rights at the EGM (as defined below) may:
   (a) (where the Unitholder is an individual) attend, speak and vote at the EGM in person;
   (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf; and
   (c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the EGM as proxy to vote on their behalf.
2. Unitholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf must complete and submit this Proxy Form in accordance with the instructions in the Notes below.
3. For investors holding units of ESR-LOGOS REIT through a Relevant Intermediary (as defined below) ("**Relevant Intermediary Unitholders**") and investors who hold Units through the Central Provident Fund or the Supplementary Retirement Scheme ("**CPF/SRS investors**"), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by such investors. Relevant Intermediary Unitholders who wish to vote at the EGM should approach their Relevant Intermediary as soon as possible. CPF/SRS investors who wish to vote at the EGM should approach their respective CPF Agent Banks/SRS Operators at least seven working days before the EGM (i.e. by 27 September 2024 (Friday) at 10:00 a.m.) to ensure that their votes are submitted.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy

By submitting an instrument appointing a proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 24 September 2024.

PROXY FORM

EXTRAORDINARY GENERAL MEETING ("EGM")

I/We ______________________ Name(s) ______________ (NRIC/Passport/Company Registration Number)

Of ____ (Address)

being a unitholder/unitholders of ESR-LOGOS REIT ("**E-LOG**"), hereby appoint:

Name	Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

or failing whom, the Chairman of the EGM, as my/our proxy to attend, to speak (as applicable) and to vote for me/us on my/our behalf at the EGM of E-LOG to be held at Jasmine Ballroom, Level 3, Marina Bay Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956 on 9 October 2024 (Wednesday) at 10:00 a.m. (Singapore time) and at any adjournment thereof. I/We direct my/our proxy(ies) to vote (i) for, (ii) against, or (iii) abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder#. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the EGM. In the event the Unitholder does not indicate any name above or the individual named by the Unitholder does not turn up at the EGM, the Chairman of the EGM will be the proxy and will vote or abstain from voting based on the directions indicated hereunder and if no specific direction as to voting is given, the Chairman of the EGM will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the EGM.

No.	Resolution	For *	Against *	Abstain*
	ORDINARY BUSINESS			
1	To approve the proposed acquisition of 100% trust beneficiary interest in the New Japan Property, being a distribution centre located in Nagoya, Japan, as an interested person transaction			
2	To approve the Singapore Acquisition and the proposed issuance of LOGOS Consideration Units, as interested person transactions, and the proposed issuance of Ivanhoe Consideration Units			
3	To approve the proposed issuance of new Units under the Preferential Offering, pursuant to Rule 805(1) and 816(2) of the Listing Manual			

You should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, the resolutions.

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

Dated this _____ day of ______________ 2024

Total number of Units held (Note 4)

____

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

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ESR-LOGOS REIT

Postage will be paid by addressee. For posting in Singapore only.

Glue all sides firmly. Stapling & spot sealing is disallowed.

BUSINESS REPLY SERVICE
PERMIT NO. 08027

ESR-LOGOS FUNDS MANAGEMENT (S) LIMITED
(as manager of ESR-LOGOS REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue,
Keppel Bay Tower #14-07,
Singapore 098632

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. Unitholders who wish to exercise their voting rights at the EGM may:
   (a) (where the Unitholder is an individual) attend, speak and vote at the EGM in person;
   (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf; and
   (c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the EGM as proxy to vote on their behalf.
2. Unitholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf must complete and submit this Proxy Form in accordance with the instructions below.
3. In this Proxy Form, a Unitholder should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, each of the resolution tabled at the EGM. All valid votes cast via proxy on the resolution will be counted. If no specific direction as to voting is given, the proxy(ies) (including the Chairman of the EGM) may vote or abstain from voting at his/her discretion.
4. A Unitholder should insert the total number of Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"). If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder in the Depository Register.
5. (a) A Unitholder (who is not a Relevant Intermediary) 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/it specifies the number of Units and proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.
   (b) A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, 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 two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy.
6. "**Relevant Intermediary**" means:
   (a) a banking corporation licensed under the Banking Act 1970 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 2001 and who holds Units in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
7. The duly completed Proxy Form must be deposited:
   (a) by post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632; or
   (b) by email to srs.proxy@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF);

   The Proxy Form must be received by E-LOG by 6 October 2024 (Sunday) at 10:00 a.m. (being 72 hours before the time appointed for the EGM). Unitholders are strongly encouraged to submit completed Proxy Forms via email.
8. Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies (including the Chairman of the EGM) shall be deemed to be revoked if a Unitholder attends the EGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.
9. The Proxy Form must be executed under the hand of the appointor or of his/her/its 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.
10. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer or by executor(s) on behalf of a deceased individual's estate, the power of attorney or other relevant authority under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be deposited by post to the office of the Unit Registrar of E-LOG at 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632, or by email to srs.proxy@boardroomlimited.com, and must be received by E-LOG by 6 October 2024 (Sunday) at 10:00 a.m. (being 72 hours before the time appointed for the EGM), failing which the Proxy Form may be treated as invalid. In the event of any doubt, please email srs.proxy@boardroomlimited.com.
11. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, unsigned, 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, 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 EGM, as certified by CDP to the Manager.
12. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
13. Every Unitholder shall have one vote for every Unit of which he/she/it is the Unitholder. A person entitled to more than one vote need not use all his/her/its votes or cast them the same way.

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