

## ESR-REIT

(a real estate investment trust constituted on 31 March 2006  
under the laws of the Republic of Singapore)

Managed by

**ESR Funds Management (S) Limited**

(Company Registration No: 200512804G)

## ARA LOGOS Logistics Trust

(a real estate investment trust constituted on 11 February 2010  
under the laws of the Republic of Singapore)

Managed by

**ARA LOGOS Logistics Trust Management Limited**

(Company Registration No: 200919331H)

### JOINT ANNOUNCEMENT

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#### PROPOSED MERGER OF ESR-REIT AND ARA LOGOS LOGISTICS TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

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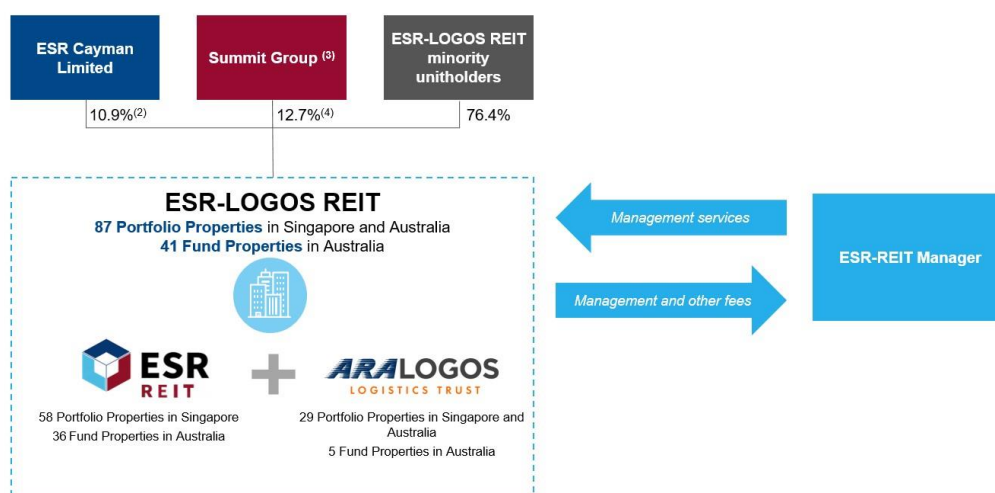
#### 1. INTRODUCTION

- 1.1 **The Merger and the Scheme.** The respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**") and ARA LOGOS Logistics Trust Management Limited, as manager of ARA LOGOS Logistics Trust ("**ALOG**", and the manager of ALOG, the "**ALOG Manager**"), are pleased to announce the proposed merger (the "**Merger**") of ESR-REIT and ALOG. The Merger will be effected through the acquisition by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (the "**ESR-REIT Trustee**") of all the units of ALOG (the "**ALOG Units**") held by the unitholders of ALOG (the "**ALOG Unitholders**"), in exchange for a combination of cash and units in ESR-REIT (the "**ESR-REIT Units**")<sup>1</sup>, by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**").
- 1.2 **Implementation Agreement.** In connection with the Merger, the ESR-REIT Manager, the ESR-REIT Trustee, the ALOG Manager and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of ALOG) (the "**ALOG Trustee**") (each, a "**Party**" and collectively, the "**Parties**") have today entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Parties will implement the Scheme.
- 1.3 **ESR-LOGOS REIT Structure.** Following the Merger, it is intended that the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT". It is currently envisaged that the structure of ESR-LOGOS REIT upon completion of the Merger will be as follows:

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<sup>1</sup> Please refer to paragraph 4.2 for details on the Scheme Consideration.

## ESR-LOGOS REIT Structure Post-Merger<sup>(1)</sup>



### Notes:

- (1) Illustrative pro forma unitholding structure based on latest available information as at 8 October 2021, based on a gross exchange ratio of 1.863x.
- (2) Comprises deemed interests held through holding entities.
- (3) Mr. Tong Jinquan is a director of the ESR-REIT Manager, and he and his associates (collectively, the "**Summit Group**") collectively hold a controlling interest in the ESR-REIT Manager as well as a controlling interest in ESR-REIT Units.
- (4) Excludes deemed interest held through the ESR-REIT Manager.

## 2. **INFORMATION ON ESR-REIT AND THE ESR-REIT MANAGER**

2.1 **ESR-REIT.** ESR-REIT is a Singapore-based real estate investment trust ("**REIT**") listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The principal activity of ESR-REIT is to invest in quality income-producing industrial properties. ESR-REIT has a diversified portfolio which currently includes 58 properties located across Singapore, close to major transportation hubs and key industrial zones island-wide, with a total gross floor area of approximately 1.45 million square metres and total assets of S\$3.4 billion<sup>2</sup> as at 30 June 2021. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial. ESR-REIT has a diversified tenant base of 360 tenants (as at 30 June 2021) and is listed on the SGX-ST. ESR-REIT also holds a 10.0% interest in ESR Australia Logistics Partnership, a private fund comprising 36 predominantly freehold logistics properties all located in Australia.

As at the date of this Joint Announcement (the "**Joint Announcement Date**"), ESR-REIT has in issue an aggregate of 4,007,446,385 ESR-REIT Units.

Based on the unaudited consolidated financial statements with respect to ESR-REIT and its subsidiaries (the "**ESR-REIT Group**") for the half year ended 30 June 2021 ("**1H2021**") (the

<sup>2</sup> Based on reported total assets as of 30 June 2021 in the ESR-REIT 1H2021 Financial Statements.

**"ESR-REIT 1H2021 Financial Statements"**), certain key financial information with respect to the ESR-REIT Group is set out as follows:

<b>ESR-REIT Group (as at 30 June 2021)</b>	
Total assets (S\$'000)	3,392,599
Net asset value (" <b>NAV</b> ") (S\$'000)	1,542,303
NAV per ESR-REIT Unit (S\$)	0.398
Distributable income for 1H2021 (S\$'000)	56,778
Distribution per unit (" <b>DPU</b> ") for 1H2021 (cents)	1.554

2.2 **The ESR-REIT Manager.** The ESR-REIT Manager was incorporated in Singapore on 14 September 2005 and currently holds a capital market services licence ("**CMS Licence**") for REIT management pursuant to the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"). ESR-REIT is managed by the ESR-REIT Manager, whose objective is to provide unitholders of ESR-REIT ("**ESR-REIT Unitholders**") with a stable and secure income stream through the successful implementation of the following strategies: (a) acquisition of value-enhancing properties, (b) proactive asset management, (c) divestment of non-core properties and (d) prudent capital and risk management.

As at the Joint Announcement Date:

- (i) the shareholders of the ESR-REIT Manager are:
  - (A) ESR Investment Management Pte. Ltd. (67.3%);
  - (B) Mitsui & Co. Ltd (7.7%); and
  - (C) Shanghai Summit Pte. Ltd. (25.0%); and
- (ii) the directors of the ESR-REIT Manager are:
  - (A) Ms. Stefanie Yuen Thio (Independent Chairperson);
  - (B) Mr. Ooi Eng Peng (Non-Executive Director, Deputy Chairman);
  - (C) Mr. Khor Un-Hun (Independent Non-Executive Director);
  - (D) Dr. Leong Horn Kee (Independent Non-Executive Director);
  - (E) Mr. Ronald Lim (Independent Non-Executive Director)
  - (F) Mr. Wilson Ang (Non-Executive Director);
  - (G) Mr. Philip Pearce (Non-Executive Director);
  - (H) Mr. Jeffrey Perlman (Non-Executive Director);
  - (I) Mr. Tong Jinquan (Non-Executive Director); and

(J) Mr. Adrian Chui (Chief Executive Officer and Executive Director).

### 3. **INFORMATION ON ALOG AND THE ALOG MANAGER**

3.1 **ALOG.** ALOG is a REIT that is listed on the SGX-ST, which invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific. Based on publicly available information, ALOG's portfolio includes 29 (nine (9) in Singapore and 20 in Australia) high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia, with a total gross floor area of approximately one million square metres as at 30 June 2021. ALOG also owns a 49.5% stake in the New LAIVS Trust and a 40.0% stake in the Oxford Property Fund as at 30 June 2021. The New LAIVS Trust has a portfolio of four (4) logistics properties in Australia and the Oxford Property Fund holds one (1) logistics property in Australia.

As at the Joint Announcement Date, ALOG has in issue an aggregate of 1,450,174,297 ALOG Units.

Based on the unaudited consolidated financial statements with respect to ALOG and its subsidiaries (the "**ALOG Group**") for 1H2021 (the "**ALOG 1H2021 Financial Statements**"), certain key financial information with respect to the ALOG Group is set out as follows:

<b>ALOG Group (as at 30 June 2021)</b>	
Total assets (S\$'000)	2,045,071
NAV (S\$'000)	977,828
NAV per ALOG Unit (S\$)	0.67
Distributable income for 1H2021 (S\$'000)	34,574
DPU for 1H2021 (cents)	2.570

3.2 **The ALOG Manager.** ALOG is managed by the ALOG Manager, which was incorporated in Singapore on 15 October 2009 and currently holds a CMS Licence for REIT management pursuant to the SFA.

As at the Joint Announcement Date:

- (a) the ALOG Manager is indirectly wholly-owned by the LOGOS Group<sup>3</sup>. ARA Asset Management Limited ("**ARA**") is a majority shareholder of the LOGOS Group, which operates as ARA's global logistics real estate platform. LOGOS Property Group Limited is the sponsor of ALOG. On 4 August 2021, ESR Cayman Limited (the "**Sponsor**" and the Sponsor and its subsidiaries, the "**ESR Group**") announced (the "**ARA Acquisition Announcement**") that it entered into an acquisition agreement with, among others, ARA in relation to the proposed acquisition (the "**Proposed ARA Acquisition**") of 100% of the issued share capital and voting power in ARA. ARA has an indirect majority stake

<sup>3</sup> "**LOGOS Group**" refers to the LOGOS Property Group Limited group of companies.

in the ALOG Manager. Immediately upon completion of the Proposed ARA Acquisition, the Sponsor will indirectly own more than 86%<sup>4</sup> of the ALOG Manager; and

- (b) the directors of the ALOG Manager are:
- (i) Mr. Lim How Teck (Chairman and Non-Executive Director);
  - (ii) Mr. Lim Lee Meng (Lead Independent Non-Executive Director and Chairman of the Audit Committee);
  - (iii) Mr. Lim Kong Puay (Independent Non-Executive Director);
  - (iv) Mr. Oh Eng Lock (Independent Non-Executive Director);
  - (v) Mr. Stephen George Hawkins (Non-Executive Director); and
  - (vi) Ms. Low Poh Choo (Non-Executive Director).

#### **4. KEY TERMS OF THE MERGER AND THE SCHEME**

4.1 **The Scheme.** The Scheme is proposed to be effected in accordance with the Code and the ALOG Trust Deed (as defined in paragraph 4.6 below, and to be amended and supplemented as described in paragraph 4.6 below), subject to the terms and conditions of the Implementation Agreement. Under the Scheme:

- (a) following the Scheme becoming effective and binding in accordance with its terms, all the ALOG Units held by the ALOG Unitholders, as at a books closure date (to be announced before the Effective Date (as defined in paragraph 4.4 below) by the ALOG Manager on which the Register of Unitholders of ALOG will be closed in order to determine the entitlements of the ALOG Unitholders in respect of the Scheme (the "**Books Closure Date**")), will be transferred to the ESR-REIT Trustee:
- (i) fully paid;
  - (ii) free from any liens, equities, mortgages, charges, encumbrances, security interests, hypothecations, powers of sale, rights to acquire, options, restrictions, rights of first refusal, easements, registered covenants, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing ("**Encumbrances**"); and
  - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and distributions (if any) declared by the ALOG Manager on or after

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<sup>4</sup> The Sponsor plans to acquire the remaining interest in the ALOG Manager three (3) years after completion of the Proposed ARA Acquisition.

the Joint Announcement Date, except for the ALOG Permitted Distributions (as defined in paragraph 4.3 below),

such that on and from the date of the settlement of the Scheme Consideration (as defined in paragraph 4.2 below), the ESR-REIT Trustee will hold 100 per cent. (100%) of the ALOG Units; and

- (b) in consideration for such transfer of the ALOG Units, each of the ESR-REIT Trustee and the ESR-REIT Manager agrees to pay or procure the payment of the Scheme Consideration (as defined in paragraph 4.2) to each ALOG Unitholder as at the Books Closure Date, in accordance with the terms and conditions of the Implementation Agreement.

#### 4.2 **Scheme Consideration.**

Pursuant to the Implementation Agreement, each of the ESR-REIT Trustee and the ESR-REIT Manager will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.950 (the "**Scheme Consideration**") for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date, which shall be satisfied by:

- (a) firstly, the payment of a sum of S\$0.095 in cash (the "**Cash Consideration**"). The aggregate Cash Consideration to be paid to each ALOG Unitholder shall be rounded to the nearest S\$0.01; and
- (b) secondly, the allotment and issuance of 1.6765 new ESR-REIT Units (the "**Consideration Units**") at an issue price of S\$0.510 for each Consideration Unit, such Consideration Units to be credited as fully paid. No fractions of a Consideration Unit shall be allotted and issued to any ALOG Unitholder and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be allotted and issued to any ALOG Unitholder pursuant to the Scheme.

Based on the issue price of S\$0.510 for each Consideration Unit, the value of the Scheme Consideration is S\$0.950 and implies a gross exchange ratio of 1.863x. The Scheme Consideration was determined based on commercial negotiations between the ESR-REIT Manager and the ALOG Manager. Factors taken into account in arriving at the Scheme Consideration by determining the exchange ratio include (without limitation): (i) the prevailing and historical relative market prices of the ESR-REIT Units and ALOG Units; (ii) the NAVs of each of ESR-REIT and ALOG; (iii) the market value of the respective property portfolios; (iv) the fair value of the respective investments by ESR-REIT and ALOG in property funds; (v) relevant precedent trust scheme transactions in Singapore; (vi) the prevailing and historical price to NAV per unit of each REIT; (vii) the prevailing and historical distribution yield of each REIT; (viii) the market capitalisation and trading liquidity of each REIT; (ix) the historical highest price of each REIT and the accompanying trading volume<sup>5</sup>; (x) the capital structure, debt financing and access to capital of each REIT; and (xi) the resulting pro forma financial impact of the Merger on ESR-REIT and ALOG.

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<sup>5</sup> The issue price of S\$0.510 for each Consideration Unit is in line with the 52-week high closing price for ESR-REIT Units. The value of the Scheme Consideration of S\$0.950 is in line with the 52-week high closing price for ALOG Units.

By way of illustration, if the Scheme becomes effective in accordance with its terms, an ALOG Unitholder will receive S\$95.00 in cash and 1,676 Consideration Units for every 1,000 ALOG Units held by it as at the Books Closure Date.

The Consideration Units shall:

- (i) when issued, be duly authorised, validly issued and credited as fully paid-up and shall rank *pari passu* in all respects with the existing ESR-REIT Units as at the date of their issue (and not as at the Joint Announcement Date)<sup>6</sup>;
- (ii) be issued at an issue price of S\$0.510 for each Consideration Unit; and
- (iii) be issued free from all and any Encumbrances and restrictions or transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

#### 4.3 Permitted Distributions.

Subject to the terms and conditions of the Implementation Agreement:

- (a) the ALOG Manager is permitted to announce, declare, pay or make distributions to the ALOG Unitholders (the "**ALOG Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ALOG Unitholders in respect of the period from the day following the latest completed financial quarter of ALOG preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income; and
- (b) the ESR-REIT Manager is permitted to announce, declare, pay or make distributions to the ESR-REIT Unitholders (the "**ESR-REIT Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ESR-REIT Unitholders in respect of the period from the day following the latest completed financial quarter of ESR-REIT preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income).

For the avoidance of doubt:

- (i) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall include any distributions declared, paid or made by the ALOG Manager or the ESR-

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<sup>6</sup> For the avoidance of doubt, the Consideration Units shall be issued with all rights, benefits and entitlements attaching on and from the date of their issue (and not as at the Joint Announcement Date), including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the ESR-REIT Manager on or after the date of their issue.

REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of any undistributed profits from overseas operations, tenant incentives compensation from any vendors, and any rental guarantee; and

- (ii) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall not include distributions declared, paid or made by the ALOG Manager or the ESR-REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of (A) proceeds received in connection with the sale of any of the ALOG Real Properties<sup>7</sup> or ESR-REIT Real Properties<sup>8</sup> (as the case may be); and/or (B) gains arising from disposals of investment properties prior to the date of the Implementation Agreement and which have not been distributed to the ALOG Unitholders or the ESR-REIT Unitholders (as the case may be) prior to the date of the Implementation Agreement.

**The Parties shall be entitled to announce, declare, pay or make the ALOG Permitted Distributions and ESR-REIT Permitted Distributions (as the case may be) without any adjustment to the Scheme Consideration.**

**The ALOG Unitholders shall have the right to receive and retain the ALOG Permitted Distributions in addition to the Scheme Consideration.**

The ESR-REIT Manager reserves the right to adjust the Scheme Consideration by reducing the cash component of the Scheme Consideration, the unit component of the Scheme Consideration or by any combination of such cash and unit components of the Scheme Consideration, if and to the extent any distribution in excess of the ALOG Permitted Distributions is announced, declared, made or paid by the ALOG Manager on or after the date of the Implementation Agreement.

- 4.4 **Effective Date.** The Scheme will become effective upon the written notification to the Monetary Authority of Singapore of the grant of the order of the Court<sup>9</sup> (the "**Effective Date**") sanctioning the Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore (the "**Scheme Court Order**"), which shall be effected by or on behalf of the ESR-REIT Manager on a date to be mutually agreed in writing between the ESR-REIT Manager and the ALOG Manager, being a date within 25 Business Days<sup>10</sup> from the date on which the last of the Scheme Conditions (as defined in paragraph 7.1 below) set out in paragraphs (a), (b), (c), (d), (e) and (k) of **Schedule 2** to this Joint Announcement is satisfied in accordance with the terms of the Implementation Agreement, provided that the rest of the Scheme Conditions are satisfied or waived on the date

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<sup>7</sup> "**ALOG Real Properties**" means collectively the properties listed in the portfolio statements set out on pages FS8 to FS11 of the ALOG 1H2021 Financial Statements and (upon and subject to completion of its acquisition), Corner Heron Drive and Curlew Street, Port of Brisbane, Queensland located in Australia (which is currently under development and is expected to be completed by December 2021) (the "**Heron Property**") (but excluding ALOG Changi DistriCentre 2 and 404-450 Findon Road, Kidman Park).

<sup>8</sup> "**ESR-REIT Real Properties**" means collectively the properties listed in the investment properties portfolio statement set out on pages 23 to 30 of the ESR-REIT 1H2021 Financial Statements and the property in Singapore in which PTC Logistics Hub LLP holds a 100.0% interest, namely 48 Pandan Road, Singapore 609289 (but excluding, upon the completion of the sale of certain excluded properties agreed by the Parties (to the extent such completion occurs between the date of the Implementation Agreement and the completion of the Merger), such excluded properties).

<sup>9</sup> "**Court**" means the High Court of the Republic of Singapore or where applicable on appeal, the Court of Appeal of the Republic of Singapore.

<sup>10</sup> "**Business Day**" means a day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore.



falling on the Business Day immediately preceding the Effective Date (the "**Record Date**"), as the case may be, in accordance with the terms of the Implementation Agreement.

- 4.5 **Delisting.** Upon completion of the Scheme, ALOG will be wholly-owned by the ESR-REIT Trustee and will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.
- 4.6 **Amendment of ALOG Trust Deed.** The Scheme will require, *inter alia*, the approval of the ALOG Unitholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at a meeting of the ALOG Unitholders or (as the case may be) depositors named in the depository register as at 48 hours before the time of such meeting as certified by the depository to the ALOG Manager to amend the trust deed dated 11 February 2010 constituting ALOG entered into between the ALOG Manager and the ALOG Trustee (as amended and supplemented from time to time) (the "**ALOG Trust Deed**") to include provisions that will facilitate the implementation of the Scheme, in such form and substance as agreed in writing by the Parties (the "**ALOG Scheme Amendments**"), at the extraordinary general meeting of the ALOG Unitholders to be convened immediately prior to the Scheme Meeting (as defined in paragraph 4.7 below) (the "**ALOG EGM**").
- 4.7 **Approval of the ALOG Unitholders.** The Scheme will require, *inter alia*, the approval of a majority in number of the ALOG Unitholders representing at least three-fourths in value of the ALOG Units held by the ALOG Unitholders present and voting either in person or by proxy at the meeting of the ALOG Unitholders to be convened pursuant to the order of the Court to approve the Scheme and any adjournment thereof (the "**Scheme Meeting**").<sup>11</sup>

Further details in respect of the approvals required in connection with the Scheme are set out in paragraph 10 of this Joint Announcement.

- 4.8 **Scheme Document and Expected Indicative Timeline.** Detailed information on the Merger, the Scheme and the terms and conditions upon which the Scheme will be implemented by the ALOG Manager and the ESR-REIT Manager will be set out in the the document to be issued by the ALOG Manager on behalf of ALOG to all the ALOG Unitholders (the "**Scheme Document**").

An expected indicative timeline is also set out in **Schedule 1** to this Joint Announcement.

- 4.9 **Switch Option.** Pursuant to the terms of the Implementation Agreement and subject to prior consultation with the Securities Industry Council of Singapore (the "**SIC**"):
- (a) in the event of an ALOG Competing Proposal<sup>12</sup> or an intention to make an ALOG Competing Proposal is announced (whether or not such ALOG Competing Proposal is

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<sup>11</sup> Please refer to paragraph 11 of this Joint Announcement on the persons who are required to abstain from voting on the Scheme.

<sup>12</sup> "**ALOG Competing Proposal**" means any offer by any person other than the ESR-REIT Trustee involving (a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the ALOG Group; (b) a general offer for the ALOG Units; (c) a scheme of arrangement involving any of the entities in the ALOG Group or the merger of any entities in the ALOG Group with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); (d) any other arrangement having an effect similar to any of (a) to (c); or (e) a transaction or series of related transactions which would

pre-conditional), the ESR-REIT Trustee and the ESR-REIT Manager have the right at their discretion to elect to proceed by way of a voluntary conditional offer for the ALOG Units ("**Offer**") (in lieu of proceeding with the Merger by way of the Scheme) (the "**Switch Option**"), provided that the ESR-REIT Trustee and the ESR-REIT Manager shall not be entitled to exercise the Switch Option in the event that the prior written consent of the ESR-REIT Trustee and the ESR-REIT Manager was obtained in respect of such ALOG Competing Proposal;

- (b) in the event the ESR-REIT Trustee and the ESR-REIT Manager elect to proceed by way of an Offer, the ESR-REIT Trustee and the ESR-REIT Manager will make the Offer on the same or better terms as those which apply to the Scheme or the ALOG Competing Proposal (whichever is higher), including the same or a higher consideration than the Scheme Consideration (being the aggregate of (i) the implied dollar value of the Consideration Units, based on the fixed number of Consideration Units issued for each ALOG Unit and the issue price per Consideration Unit, and (ii) the Cash Consideration), and conditional upon a level of acceptances set at only more than 50 per cent. of the ALOG Units to which the Offer relates and not conditional on a higher level of acceptances; and
- (c) if the Switch Option is exercised, the Implementation Agreement (save for certain surviving provisions) shall terminate with effect from the date of announcement by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager of a firm intention to make the Offer, and none of the Parties shall have any claim against the others under the Implementation Agreement, including any claim in respect of the Break Fee (as defined in paragraph 8.4 below).

The ESR-REIT Trustee and the ESR-REIT Manager reserve the right to exercise the Switch Option in the event of an ALOG Competing Proposal or an intention to make an ALOG Competing Proposal is announced (whether or not such ALOG Competing Proposal is pre-conditional).

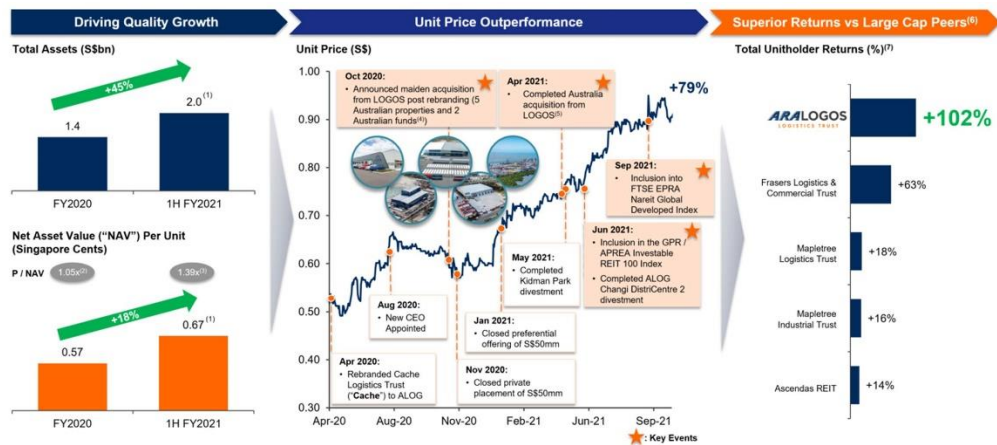
## **5. ALOG MANAGER'S RATIONALE FOR THE MERGER**

### **5.1 Value Accretive to ALOG Unitholders**

- (a) Since the rebranding of Cache Logistics Trust to ALOG in April 2020, ALOG has delivered substantial value to unitholders, outperforming other large cap industrial-related Singapore REITs ("**S-REITs**"). In particular, its unit price has increased by over 79% over the same time period, positioning it well to undertake a value accretive transaction with ESR-REIT.

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or is reasonably likely to preclude or restrict the Merger and/or the Scheme. For the purpose of this definition, an ALOG Competing Proposal will be deemed to be for all or substantially all of the assets, business and/or undertakings of the ALOG Group if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code.



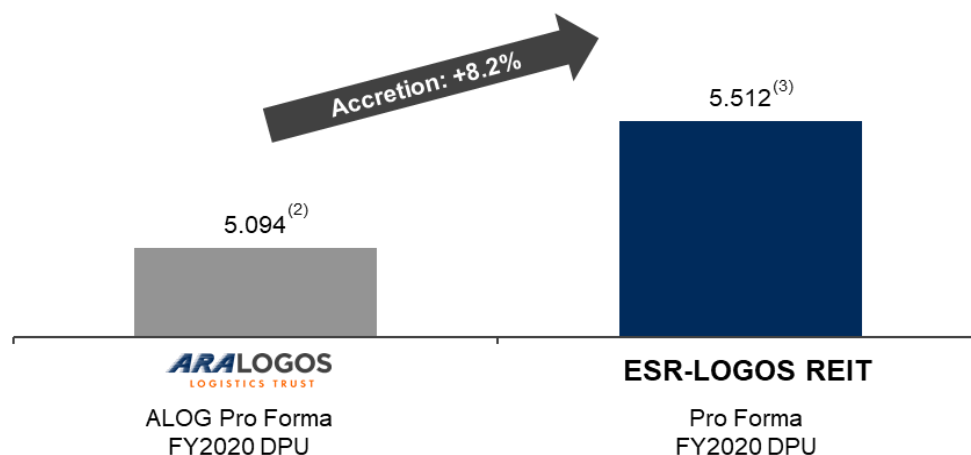
Source: Company Information, Factset as of 14 October 2021, unless otherwise stated.

**Notes:**

- (1) Based on reported financials as of 30 June 2021.
  - (2) Based on closing price of S\$0.600 as at 31 December 2020.
  - (3) Based on closing price of S\$0.935 as at 14 October 2021.
  - (4) Equity investments in the New LAIVS Trust (49.5% stake) and Oxford Property Fund (40.0% stake).
  - (5) Acquisition of the Heron Property is expected to be completed in December 2021.
  - (6) Large cap peers defined as industrial-related S-REITs with total assets of over S\$5 billion.
  - (7) Total ALOG Unitholder returns since 28 April 2020 (rebranding of Cache Logistics Trust to ALOG). Calculated as (current price - beginning price + cumulative dividends for the period) divided by the beginning price, assuming that dividends are reinvested.
- (b) Assuming that the Merger had been completed on 1 January 2020, the pro forma distribution attributable to the holder of one (1) ALOG Unit for the financial year ended 31 December 2020 ("**FY2020**") would have been 5.512 cents. This is approximately 8.2 per cent higher than the pro forma distribution of 5.094 cents which the holder of one (1) ALOG Unit would have received for the same period. Please refer to **Schedule 4** to this Joint Announcement for a detailed breakdown of the adjustments made.

## Pro Forma FY2020 DPU <sup>(1)</sup>

(Singapore Cents)



### Notes:

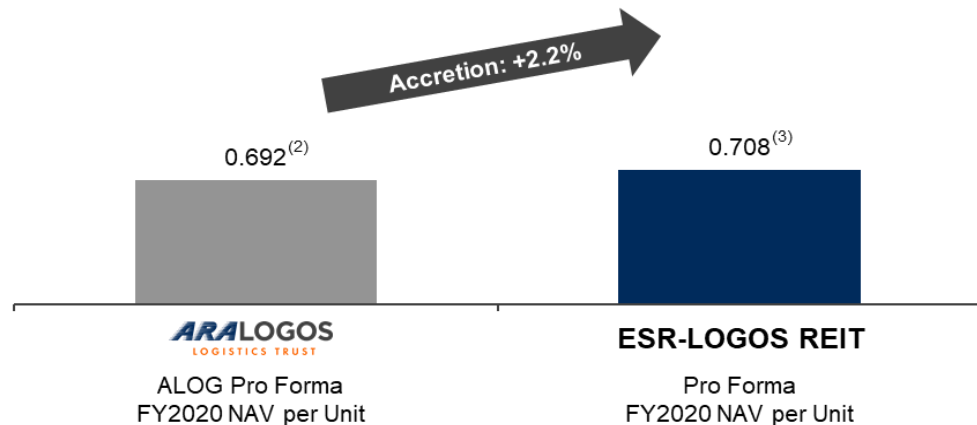
- (1) Assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments and the ALOG EFR (each as defined in Schedule 4 to this Joint Announcement) were completed on 1 January 2020. Please refer to Schedule 4 to this Joint Announcement for further details.
  - (2) After the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments and the ALOG EFR. Based on approximately 1,448.3 million ALOG Units for the period from 1 January 2020 to 31 December 2020. Please refer to Schedule 4 to this Joint Announcement for further details.
  - (3) After the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the Merger. Based on approximately 6,394.8 million ESR-LOGOS REIT units for the period from 1 January 2020 to 31 December 2020. Based on ESR-LOGOS REIT's FY2020 pro forma DPU multiplied by a net exchange ratio of 1.6765 and assuming that the Cash Consideration is reinvested at ESR-REIT's one (1)-month VWAP of S\$0.472 as at 14 October 2021. Please refer to Schedule 4 to this Joint Announcement for further details.
- (c) The Merger will also be approximately 2.2 per cent accretive to the ALOG Unitholders from an NAV perspective, with the pro forma NAV attributable to the holder of an ALOG Unit for FY2020 increasing from S\$0.692<sup>13</sup> to S\$0.708. Please refer to **Schedule 4** to this Joint Announcement for further details.

<sup>13</sup>

Based on 1,446.9 million ALOG Units as at 31 December 2020.

## Pro Forma FY2020 NAV per Unit <sup>(1)</sup>

(S\$)



### Notes:

- (1) Assuming that the Merger had occurred on 31 December 2020 and ESR-LOGOS REIT held and operated the properties of ALOG as at 31 December 2020, and assuming that the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ALOG Revaluation were completed on 31 December 2020. Please refer to Schedule 4 to this Joint Announcement for further details.
- (2) After the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ALOG Revaluation. Based on approximately 1,446.9 million ALOG Units as at 31 December 2020. Please refer to Schedule 4 to this Joint Announcement for further details.
- (3) After the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR, the ALOG Revaluation and the Merger. Based on approximately 6,431.6 million ESR-LOGOS REIT units as at 31 December 2020. Based on ESR-LOGOS REIT's FY2020 pro forma NAV multiplied by a net exchange ratio of 1.6765 and assuming that the Cash Consideration is reinvested at ESR-REIT's one (1) month VWAP of S\$0.472 as at 14 October 2021. Please refer to Schedule 4 to this Joint Announcement for further details.

## 5.2 Leverage on Sponsor's Fully Integrated Platform and Global Tenant Network

ESR-LOGOS REIT will be sponsored by the ESR Group<sup>14</sup> – the largest Asia Pacific real estate fund manager with the largest assets under management ("**AUM**") in the Asia Pacific of US\$131 billion<sup>15</sup>, the largest New Economy<sup>16</sup> AUM of >US\$50 billion<sup>17</sup> and a work-in-progress development value of >US\$10 billion<sup>18</sup> across 10 markets.

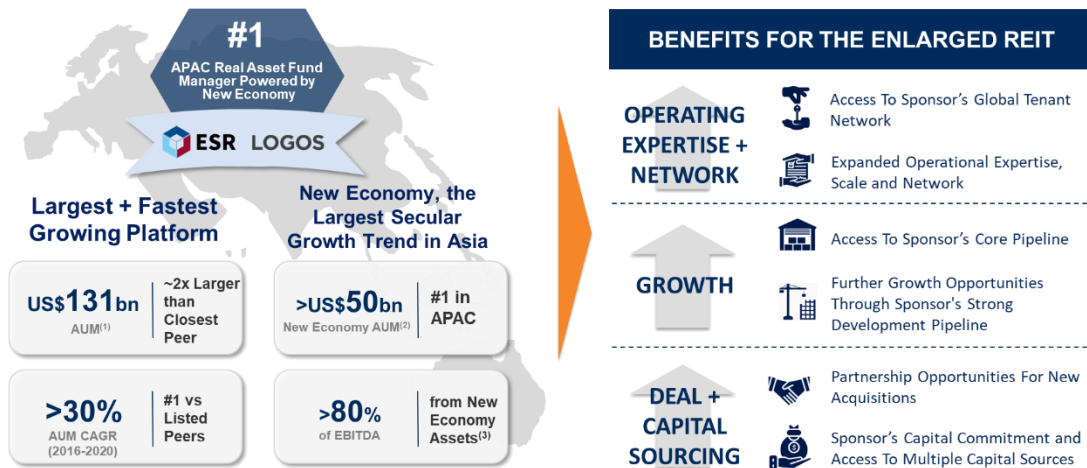
<sup>14</sup> Unless stated otherwise, any reference to the ESR Group's and/or the Sponsor's figures in this paragraph 5 assume that the Proposed ARA Acquisition has been completed.

<sup>15</sup> Refer to the Sponsor's 1H2021 interim results presentation. Includes AUM of ARA and its associates as at 30 June 2021 adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021. Data for peers is as of 31 December 2020, or if unavailable, as of the latest publicly available figures.

<sup>16</sup> New Economy refers to logistics / warehouse and high-specs industrial properties.

<sup>17</sup> ESR Group's data as at 30 June 2021, adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021.

<sup>18</sup> ESR Group data as at 30 June 2021.



**Source:** Information from ESR Group and LOGOS Group, JLL Independent Market Research, data for peers as of 31 December 2020, or if unavailable, as of latest publicly available figures.

**Notes:** Unless stated otherwise, any reference to the ESR Group's and/or the Sponsor's figures in this paragraph 5 assumes that the Proposed ARA Acquisition has been completed.

- (1) Refer to the Sponsor's 1H2021 interim results presentation. Includes AUM of ARA and its associates as at 30 June 2021 adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021. Data for peers is as of 31 December 2020, or if unavailable, as of the latest publicly available figures.
- (2) ESR Group's data as at 30 June 2021, adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021.
- (3) Based on FY2020 segment EBITDA, before unallocated corporate costs.

The Merger will form the benchmark New Economy S-REIT with the largest pipeline and allow ESR-LOGOS REIT to benefit from the largest secular growth trend in Asia. ESR-LOGOS REIT will be able to leverage on the ESR Group's fully integrated New Economy focus platform, the largest amongst S-REIT sponsors (by AUM), and reap the following benefits:

- Access to the Sponsor's global tenant network;
- Expanded operational expertise, scale and network;
- De-risk new market entry into key Asia Pacific markets such as Southeast Asia, China, Japan, South Korea and India where the Sponsor has market leading presence;
- Improved deal sourcing network;
- Explore potential partnership opportunities for new acquisitions; and
- Leverage on the Sponsor's capital sourcing network and the Sponsor's capital commitment to ESR-LOGOS REIT to fund growth.



**Source:** Information from ESR Group.

**Notes:** Unless stated otherwise, any reference to the ESR Group's and/or the Sponsor's figures in this paragraph 5 assumes that the Proposed ARA Acquisition has been completed.

- (1) Refer to the Sponsor's 1H2021 interim results presentation; As of 31 December 2020 for the Sponsor adjusted for AUM announced in 1H2021 (Milestone Portfolio US\$2.8 billion, RJLF 3 US\$675 million, Korea Income JV US\$500 million); AUM of ARA and its associates as at 30 June 2021, adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021.
- (2) ESR Group's data as at 30 June 2021, adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021.
- (3) ESR Group's data as at 30 June 2021.

In particular, ESR-LOGOS REIT is well-poised to benefit from its access to ESR Group's global tenant network and its strategic symbiotic relationships with New Economy tenants which is built on the following tenets:

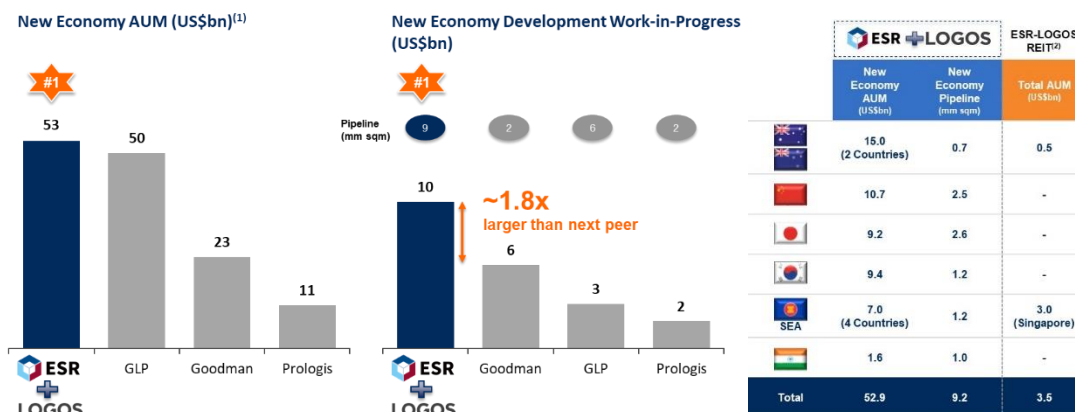
- "Go-to" provider and strategic alliance with major third-party logistics and reputable logistics service providers;
- Developer of build-to-suit modern facilities for leading global e-commerce companies; and
- Unmatched relationship with e-commerce and last mile delivery tenants

This enhances ESR-LOGOS REIT's access to key New Economy focused tenants that are poised to benefit from strong macro-economic and industry tail-winds.

### 5.3 Enhanced Growth Trajectory with Access to the Largest New Economy AUM in APAC

ESR-LOGOS REIT will have access to the largest New Economy pipeline and the largest work-in-progress development pipeline in APAC amongst S-REITs. This provides ESR-LOGOS REIT with a clear trajectory to supercharge growth.

The Merger removes any potential overlapping mandate between ESR-REIT and ALOG, providing ESR-LOGOS REIT with access to ESR Group's assets of more than US\$50 billion<sup>19</sup> in New Economy pipeline in an increasingly scarce environment for quality logistics assets. An initial pipeline of approximately US\$2 billion of visible and executable New Economy pipeline in APAC is available from the ESR Group, which will accelerate ESR-LOGOS REIT's growth as a leading future-ready APAC S-REIT.



Source: Information from ESR Group, JLL Independent Market Research.

Notes: Unless stated otherwise, any reference to the ESR Group's and/or the Sponsor's figures in this paragraph 5 assumes that the Proposed ARA Acquisition has been completed.

- (1) Sponsor and LOGOS Group's data as at 30 June 2021, inclusive of ALOG, adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021. Goodman as at 31 March 2021. GLP and Prologis as at 31 December 2020.
- (2) AUM for owned assets only as at 30 June 2021, excludes fund AUM. Exchange rate used is US\$1 = S\$1.36.

Both the ESR Group and the LOGOS Group have historically demonstrated strong commitment in delivering quality assets to ESR-REIT Unitholders and ALOG Unitholders.



<sup>19</sup> ESR and LOGOS Group's data as at 30 June 2021, inclusive of ALOG, adjusted for LOGOS Group's acquisition of Moorebank Logistics Park announced on 5 July 2021.

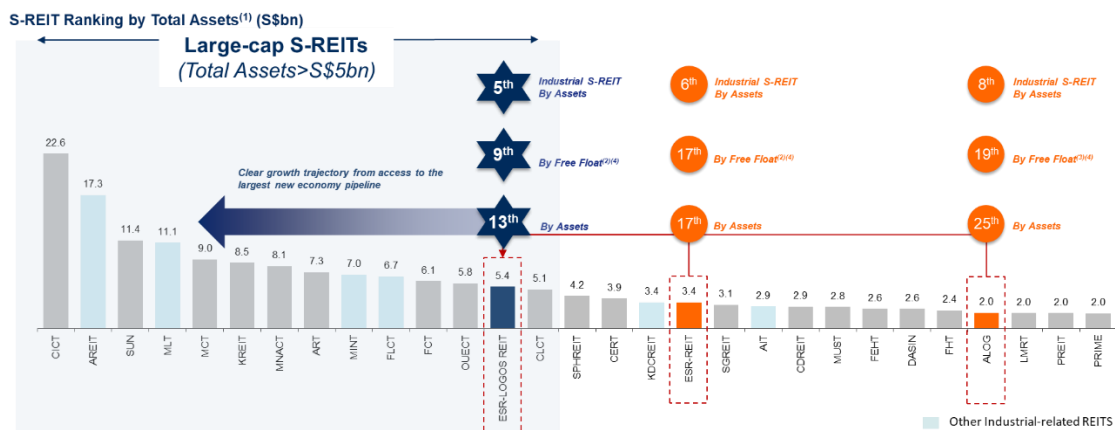


**Notes:**

- (1) Equity investments in the New LAIVS Trust (49.5% stake) and the Oxford Property Fund (40.0% stake).
- (2) New lease to a logistics end-user has been secured for the property, commencing from August 2021.
- (3) 5% deposit has been paid for the Heron Property. The Heron Property is still under development and will only be fully acquired upon completion in December 2021. Property is fully leased to Teys Australia on an initial 20-year lease term.

**5.4 Creating a Top 10 S-REIT by Free Float**

Post-Merger, ESR-LOGOS REIT is expected to become among the top 10 largest REITs in Singapore with a free float market capitalisation of S\$2.5 billion<sup>20</sup> and total assets of S\$5.4 billion<sup>21</sup>, respectively.



**Source:** Company Filings, Factset as of 14 October 2021

**Notes:**

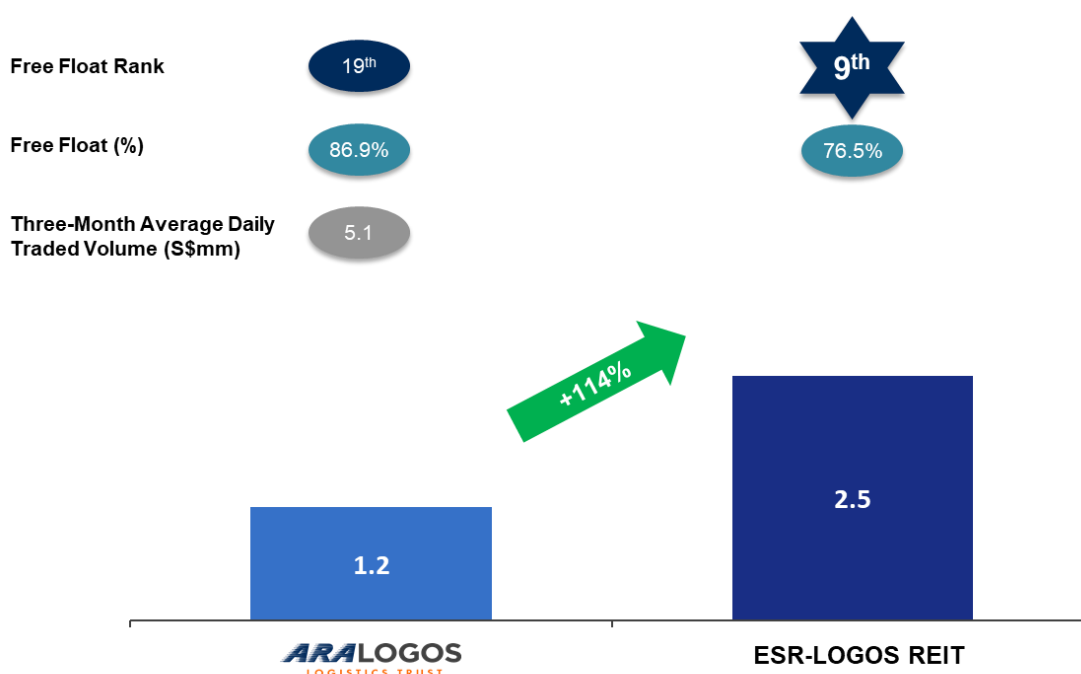
- (1) Based on reported total assets as of 30 June 2021, otherwise based on latest publicly available data.
- (2) Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-REIT Units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates.
- (3) Free float excludes ALOG Units held by the joint sponsors, LOGOS Group and ARA, the ALOG Manager, the directors of the ALOG Manager, other substantial ALOG Unitholders and their respective associates.
- (4) ESR-REIT's free float of S\$1.3 billion is computed based on free float ESR-REIT Units of 2,838 million ESR-REIT Units multiplied by the closing price of the ESR-REIT Units on 14 October 2021, being the last full trading day immediately prior to the Joint Announcement Date, of S\$0.465. ALOG's free float of S\$1.2 billion is computed based on free float ALOG Units of 1,260 million multiplied by the closing price of ALOG Units on 14 October 2021, being the last full trading day immediately prior to the Joint Announcement Date, of S\$0.935. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 4,951 million free float units of ESR-LOGOS REIT multiplied by an issue price of S\$0.510.

<sup>20</sup> ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 4,951 million free float units multiplied by an issue price of S\$0.510 per ESR-REIT Unit.

<sup>21</sup> Based on reported total assets as of 30 June 2021.

The enlarged scale of the combined portfolio will enhance ESR-LOGOS REIT's visibility within the S-REIT universe and increase the relevance of ESR-LOGOS REIT amongst the investment community. This will allow ESR-LOGOS REIT better access to competitive sources of capital and enjoy greater funding flexibility.

ESR-LOGOS REIT will benefit from a significantly larger free float, increasing by approximately 114 per cent, from S\$1.2 billion<sup>22</sup> as at 14 October 2021 to approximately S\$2.5 billion<sup>22</sup>. This could potentially result in higher trading liquidity, increased weightage in the FTSE EPRA Nareit Global Developed Index, larger institutional investor base, increased analyst coverage and potential future index inclusions, which could potentially lead to a positive re-rating of ESR-LOGOS REIT's unit price, benefitting all unitholders.



**Source:** Company Information, Factset as of 14 October 2021 unless otherwise stated.

**Notes:**

- (1) Free float excludes ALOG Units held by the joint sponsors, LOGOS Group and ARA, the ALOG Manager, the directors of the ALOG Manager, other substantial ALOG Unitholders and their respective associates.
- (2) ALOG's free float of S\$1.2 billion is computed based on free float ALOG Units of 1,260 million multiplied by the closing price of ALOG Units on 14 October 2021, being the last full trading day immediately prior to the Joint Announcement Date, of S\$0.935. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 4,951 million free float units of ESR-LOGOS REIT multiplied by an issue price of S\$0.510.

With its enlarged scale, ESR-LOGOS REIT has the capability to enjoy greater access to diversified capital sources, benefit from more competitive cost of capital and enhance its capital

<sup>22</sup> ALOG's free float of S\$1.2 billion is computed based on free float ALOG Units of 1,260 million multiplied by the closing price of ALOG Units on 14 October 2021, being the last full trading day immediately prior to the Joint Announcement Date, of S\$0.935. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 4,951 million free float units of ESR-LOGOS REIT multiplied by an issue price of S\$0.510.

structure. ESR-LOGOS REIT will be 100% unencumbered and will be in a stronger position to obtain good investment grade rating, potentially further widening its access to diverse pools of capital.



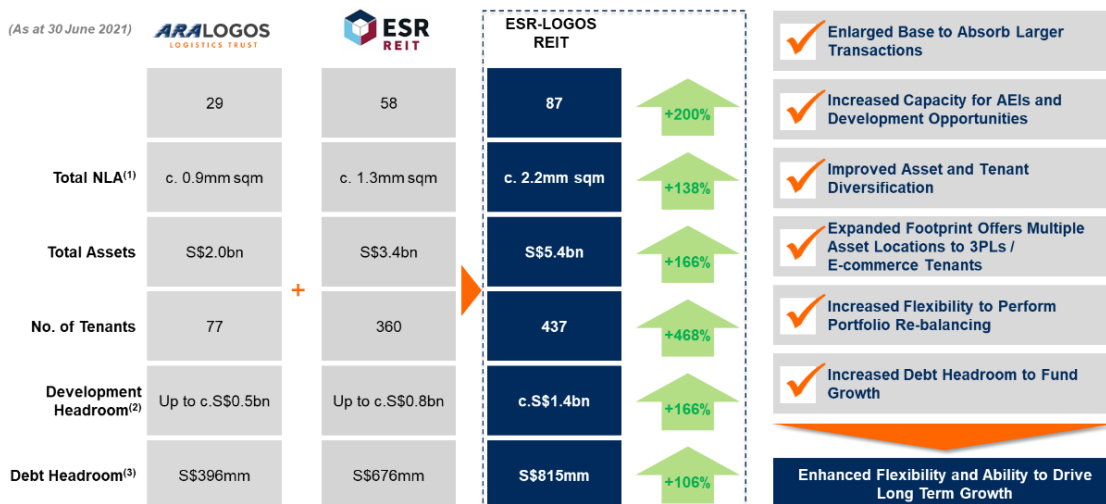
**Notes:**

- (1) As at 30 June 2021.
- (2) Debt headroom based on an aggregate leverage limit of 50% under the Property Funds Appendix, calculated headroom from FY2020 pro forma adjusted aggregate leverage.
- (3) Based on pro-forma adjustments for FY2020. Please refer to Schedule 4 to this Joint Announcement for further details.
- (4) Unsecured banking facilities at an approximate all-in interest cost of 2.25% provided by DBS Bank Ltd., Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch.
- (5) As at the Effective Date and assuming that the Scheme became effective on 30 June 2021.

**5.5 Enlarged Portfolio with Enhanced Flexibility, Ability to Drive Growth and ESG Offerings**

ESR-LOGOS REIT's enlarged portfolio provides an increased capacity to undertake larger transactions, asset enhancement initiatives and development projects. The enlarged scale also provides ESR-LOGOS REIT greater flexibility when conducting portfolio re-balancing as it further increases its exposure to New Economy properties.

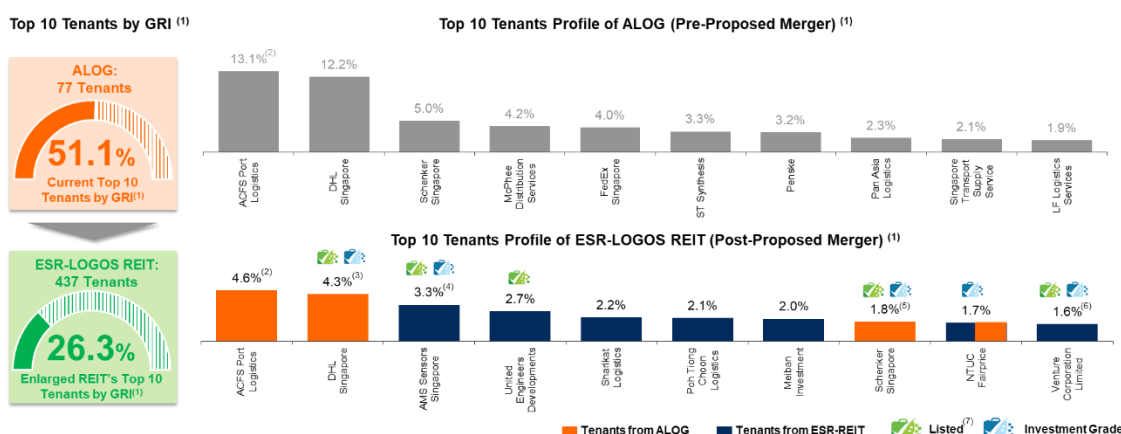
ESR-LOGOS REIT is also expected to benefit from a larger pool of combined high-quality tenants that enhances the quality and diversification of its tenant base.



**Notes:**

- (1) Based on owned properties as at 30 June 2021, excludes all properties owned either directly or indirectly through investment funds ("**Fund Properties**").
- (2) Development headroom of up to 25% of the total assets of ESR-LOGOS REIT. Total assets are taken as a close proxy for deposited property value. 25% development limit is subject to the approval of unitholders of the REIT.
- (3) Debt headroom is based on an aggregate leverage limit of 50% under the Property Funds Appendix, calculated headroom from FY2020 pro forma adjusted aggregate leverage.

With the enlarged tenant base of 437<sup>23</sup> tenants across a wide range of industries, no single tenant will account for more than 4.6%<sup>24</sup> of ESR-LOGOS REIT's Gross Rental Income ("**GRI**"), thereby reducing tenant concentration risks. Contributions from ESR-LOGOS REIT's top 10 tenants are expected to decrease to 26.3%<sup>25</sup> by GRI. This provides ESR-LOGOS REIT with further flexibility to undertake portfolio rejuvenation and redevelopment with reduced impact on income.



**Notes:**

- (1) Excludes contribution from Fund Properties. GRI based on month of June 2021.









<sup>23</sup> As at 30 June 2021.

<sup>24</sup> Excludes contribution from Fund Properties. GRI based on month of June 2021.


<sup>25</sup> Excludes contribution from Fund Properties. GRI based on month of June 2021.

- (2) ACFS Logistics had acquired IPS Logistics' Port of Brisbane operations in July 2021. Following this development, ACFS Logistics is now the top tenant in ALOG's portfolio and is expected to be the top tenant of ESR-LOGOS REIT. GRI contribution is based on their combined GRI for the month of June 2021.
- (3) DHL Supply Chain Singapore's rating is based on its ultimate parent, Deutsche Post AG.
- (4) AMS Sensors Singapore's rating is based on its ultimate parent, AMS AG.
- (5) Schenker Singapore's rating is based on its ultimate parent, Deutsche Bahn AG.
- (6) Venture Corporation Limited's rating is based on Bloomberg Default Risk Scale.
- (7) Ultimate parent of DHL Singapore, AMS Sensors Singapore, United Engineers Developments and Schenker Singapore are listed entities.


**Green Initiatives and ESG Efforts**

<b>1</b> Reducing Our Carbon Footprint	 Over 21,000 solar panels installed across rooftops of 3 warehouses, one of the largest combined rooftop solar generation facility in Singapore  On-going Solar Harvesting Programme with 9 properties in Singapore installed with solar panels
<b>2</b> Green Financing	 Launched inaugural bespoke S\$80mm green interest rate swap tagged to committed green targets
<b>3</b> Community Support	 Partnered with Kidzcare@KCC (Kembangan-Chai Chee Constituency) to provide a tuition centre and tutors for disadvantaged youths at ESR Bizpark @ Chai Chee
<b>4</b> Disclosure & Commitments	 Committed directly controlled Singapore properties to net zero carbon by 2030 and provided enhanced ESG disclosures with first GRESB assessment  Committed to achieve Green Mark certifications for all buildings that undergo AEI and provided enhanced ESG disclosures with first GRESB assessment
<b>5</b> Governance	 Strong board and management diversity including female representation across the board and senior management  Uphold high standards of corporate governance to ensure the REIT is aligned with best practices and is responsive to change

**Building Certifications**



**Disclosure and Accolades**



The Merger will further enhance ESR-LOGOS REIT's environment, social and governance ("**ESG**") offerings with continued commitments towards sustainable operations and responsible investments. ESR-LOGOS REIT will continue to proactively pursue ESG initiatives including carbon footprint reduction, strengthening of green funding sources and active community involvement. Both ALOG and ESR-REIT have also continued to demonstrate commitment towards achieving ESG excellence and upholding high standards of corporate governance.

## 6. ESR-REIT MANAGER'S FUTURE INTENTIONS FOR ESR-LOGOS REIT

Assuming the completion of the Merger:

- (a) the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT";
- (b) the ESR-REIT Manager will be the manager of ESR-LOGOS REIT after completion of the Merger and Mr. Adrian Chui will continue to be the Chief Executive Officer ("**CEO**") of the ESR-REIT Manager, while Ms. Karen Lee will join the ESR-REIT Manager as the Deputy CEO. The Nominating and Remuneration Committee of the ESR-REIT Manager will also review the composition of the board of directors of the ESR-REIT Manager as may be appropriate to align with ESR-LOGOS REIT's future strategic direction, focus and corporate governance best practices;

- (c) it is intended that the existing outstanding loan facilities granted to ALOG will be fully refinanced; and
- (d) post-Merger, ESR-LOGOS REIT will target to sell down a portfolio of non-core assets over the subsequent 18 to 24 months to further create a flagship new economy REIT.

## **7. SCHEME CONDITIONS**

7.1 **Scheme Conditions.** The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the "**Scheme Conditions**") set out in the Implementation Agreement and reproduced in **Schedule 2** to this Joint Announcement.

### **7.2 Benefit of Scheme Conditions.**

- (a) **ESR-REIT's Benefit.** The ESR-REIT Trustee and the ESR-REIT Manager may waive the Scheme Conditions in paragraph (d)(viii), paragraph (g) (in relation to any Prescribed Occurrences set out in **Schedule 3** to this Joint Announcement relating to the ALOG Group), paragraph (h) and paragraph (j)(i) of **Schedule 2** to this Joint Announcement.
- (b) **ALOG's Benefit.** The ALOG Trustee and the ALOG Manager may waive the Scheme Conditions in paragraph (g) (in relation to any Prescribed Occurrences set out in **Schedule 3** to this Joint Announcement relating to the ESR-REIT Group), paragraph (i) and paragraph (j)(ii) of **Schedule 2** to this Joint Announcement.
- (c) **Mutual Benefit and No Waiver.** The Parties may jointly waive the Scheme Condition set out in paragraph (k) of **Schedule 2** to this Joint Announcement. For the avoidance of doubt, the Scheme Conditions set out in paragraphs (a), (b), (c), (d) (other than (d)(viii)), (e) and (f) of **Schedule 2** to this Joint Announcement are not capable of being waived by any or all of the Parties.

## **8. TERMINATION**

8.1 **Right to Terminate.** The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time on or prior to the Record Date (subject to the prior consultation with the SIC, and the SIC giving its approval for, or stating that it has no objection to, such termination):

- (a) **Regulatory Action.** by any Party, if any court of competent jurisdiction or governmental authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Merger or any part thereof, or has refused to do anything necessary to permit the Scheme, the Merger or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;

- (b) **Breach or Prescribed Occurrence.** by either:
- (i) the ESR-REIT Trustee and the ESR-REIT Manager, if (A) any of the ALOG Trustee or the ALOG Manager is in breach of the representations and warranties of the ALOG Trustee or the ALOG Manager set out in the Implementation Agreement which is material in the context of the Scheme; or (B) a Prescribed Occurrence set out in **Schedule 3** to this Joint Announcement relating to the ALOG Group has occurred which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days (or such other period as the Parties may mutually agree in writing) after being given notice by the ESR-REIT Trustee or the ESR-REIT Manager to do so; or
  - (ii) the ALOG Trustee and the ALOG Manager, if (A) any of the ESR-REIT Trustee or the ESR-REIT Manager is in breach of the representations and warranties of the ESR-REIT Trustee or the ESR-REIT Manager set out in the Implementation Agreement which is material in the context of the Scheme; or (B) a Prescribed Occurrence set out in **Schedule 3** to this Joint Announcement relating to the ESR-REIT Group has occurred which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days (or such other period as the Parties may mutually agree in writing) after being given notice by the ALOG Trustee or the ALOG Manager to do so;
- (c) **Material Adverse Effect.** by either:
- (i) the ESR-REIT Trustee and the ESR-REIT Manager, if there has been an occurrence of an ALOG Material Adverse Effect (as defined in **Schedule 2** to this Joint Announcement); or
  - (ii) the ALOG Trustee and the ALOG Manager, if there has been an occurrence of an ESR-REIT Material Adverse Effect (as defined in **Schedule 2** to this Joint Announcement);
- (d) **ALOG Unitholders' Approval.** by any Party, if the resolutions in respect of the ALOG Scheme Amendments and/or the Scheme are not approved (without amendment) by the requisite majorities of the ALOG Unitholders at the ALOG EGM and/or the Scheme Meeting;
- (e) **ESR-REIT Unitholders' Approval.** by any Party, if the resolutions in respect of the ESR-REIT Unitholders' Approval (as defined in paragraph 10.4 below) are not approved (without amendment) by the requisite majorities of the ESR-REIT Unitholders at the meeting to be convened by the ESR-REIT Manager (the "**ESR-REIT EGM**"); or
- (f) **ALOG Competing Proposal or ESR-REIT Competing Proposal.** by either:
- (i) the ESR-REIT Trustee and the ESR-REIT Manager, if an ALOG Competing Proposal becomes or is declared unconditional in all respects (or its equivalent)

or is completed or becomes effective (or the equivalent in respect of any of the foregoing), save in respect of any ALOG Competing Proposal effected with the ESR-REIT Trustee's and the ESR-REIT Manager's prior written consent; or

- (ii) the ALOG Trustee and the ALOG Manager, if an ESR-REIT Competing Proposal<sup>26</sup> becomes or is declared unconditional in all respects (or its equivalent) or is completed or becomes effective (or the equivalent in respect of any of the foregoing), save in respect of any ESR-REIT Competing Proposal effected with the ALOG Trustee's and the ALOG Manager's prior written consent.

8.2 **Non-fulfilment of Scheme Conditions.** Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall terminate if any of the Scheme Conditions set out in **Schedule 2** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) by 31 March 2022 or such other date as the Parties may agree in writing (the "**Long-Stop Date**"), except that:

- (a) in the event of any non-fulfilment of the Scheme Conditions in paragraphs (a), (b), (c), (d) (other than (d)(viii)), (e), (f) and/or (k) of **Schedule 2** to this Joint Announcement, any Party may rely on such non-fulfilment of any such condition precedent to terminate the Implementation Agreement;
- (b) in the event of any non-fulfilment of the Scheme Conditions in paragraph (d)(viii), paragraph (g) (in relation to any Prescribed Occurrences set out in **Schedule 3** to this Joint Announcement relating to the ALOG Group), paragraph (h) and/or paragraph (j)(i) of **Schedule 2** to this Joint Announcement, only the ESR-REIT Trustee and the ESR-REIT Manager may rely on such non-fulfilment of any such condition precedent to terminate the Implementation Agreement; and
- (c) in the event of any non-fulfilment of the Scheme Conditions in paragraph (g) (in relation to the Prescribed Occurrences set out in **Schedule 3** to this Joint Announcement relating to the ESR-REIT Group), paragraph (i) and paragraph (j)(ii) of **Schedule 2** to this Joint Announcement, only the ALOG Trustee and the ALOG Manager may rely on such non-fulfilment of any such condition precedent to terminate the Implementation Agreement,

in each case, provided that prior consultation with the SIC has been undertaken and the SIC has granted its approval for such termination.

<sup>26</sup>

**"ESR-REIT Competing Proposal"** means any offer by any person other than the ALOG Trustee involving (a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the ESR-REIT Group; (b) a general offer for the ESR-REIT Units; (c) a scheme of arrangement involving any of the entities in the ESR-REIT Group or the merger of any entities in the ESR-REIT Group with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); (d) any other arrangement having an effect similar to any of (a) to (c); or (e) a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Merger and/or the Scheme. For the purpose of this definition, an ESR-REIT Competing Proposal will be deemed to be for all or substantially all of the assets, business and/or undertakings of the ESR-REIT Group if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code.



8.3 **Consultation with Other Parties.** In the event any Party intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other Parties.

8.4 **Break Fee.** Pursuant to the terms of the Implementation Agreement:

(a) subject to paragraph 4.9(c) above, the ALOG Trustee agrees and undertakes that it shall compensate the ESR-REIT Trustee and/or the ESR-REIT Manager for costs and expenses reasonably incurred by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager in connection with the Merger and/or the Scheme) (the "**Break Fee**"), if any of the following occurs:

- (i) the ESR-REIT Trustee or the ESR-REIT Manager terminates the Implementation Agreement pursuant to paragraph 8.1(b)(i) above; and/or
- (ii) an ALOG Competing Proposal becomes or is declared unconditional in all respects or is completed or becomes effective (or the equivalent in respect of any of the foregoing),

provided that the Break Fee will be capped at an amount equal to S\$7.5 million; and

(b) the obligation to pay the Break Fee as described in this paragraph 8.4 shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the ALOG Trustee described in this paragraph 8.4, if any, have been satisfied.

8.5 **Reverse Break Fee.** Pursuant to the terms of the Implementation Agreement:

(a) the ESR-REIT Trustee agrees and undertakes that it shall compensate the ALOG Trustee and/or the ALOG Manager for costs and expenses reasonably incurred by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme) (the "**Reverse Break Fee**"), if any of the following occurs:

- (i) the ALOG Trustee or the ALOG Manager terminates the Implementation Agreement pursuant to paragraph 8.1(b)(ii) above; and/or
- (ii) an ESR-REIT Competing Proposal becomes or is declared unconditional in all respects or is completed or becomes effective (or the equivalent in respect of any of the foregoing),

provided that the Reverse Break Fee shall be capped at an amount equal to S\$7.5 million; and

- (b) the obligation to pay the Reverse Break Fee as described in this paragraph 8.5 shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the ESR-REIT Trustee described in this paragraph 8.5, if any, have been satisfied.

8.6 **Effect of Termination.** In the event of termination of the Implementation Agreement by any Party pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and none of the Parties shall have any claim against the others under the Implementation Agreement, save for claims in respect of the Break Fee or the Reverse Break Fee, as the case may be. Each of the ALOG Trustee and/or the ALOG Manager on the one hand, or the ESR-REIT Trustee and/or the ESR-REIT Manager on the other, agrees that the only remedy it has under the Implementation Agreement for any breach or non-compliance by the ALOG Trustee and/or the ALOG Manager or the ESR-REIT Trustee and/or the ESR-REIT Manager (as the case may be) shall be the right to terminate the Implementation Agreement in the manner prescribed in the Implementation Agreement and there shall be no other liability on any Party save for claims in respect of the Break Fee or the Reverse Break Fee.

## 9. **IVANHOE IRREVOCABLE UNDERTAKING**

9.1 **Deed of Undertaking.** On 11 October 2021, Ivanhoe Cambridge Asia Inc., which as the date thereof is the legal and beneficial owner of 126,696,800 ALOG Units (representing approximately 8.74% of the ALOG Units in issue) (the "**Relevant IU Units**"), has given an irrevocable undertaking (the "**Deed of Undertaking**") to the ALOG Manager, among others:

- (a) to the extent permitted by the listing manual of the SGX-ST (the "**Listing Manual**") or the requirements of the SGX-ST or the Code or any other laws or regulations applicable to ALOG, to vote, or procure the voting of, the Relevant IU Units in favour of the ALOG Scheme Amendments Resolution, the ALOG Scheme Resolution and any other matter necessary or proposed to implement the Scheme at any meeting of the ALOG Unitholders to be convened to approve the ALOG Scheme Amendments Resolution or the Scheme and at any adjournment thereof; and
- (b) during the period commencing on the date of the Deed of Undertaking until the Expiry Date (as defined below), to not accept or approve any other proposal, offer or trust scheme of arrangement from any other party other than the ESR-REIT Manager for all or any of the Relevant IU Units, whether or not such other proposal, offer or trust scheme of arrangement is at a price higher than the consideration for the Relevant IU Units under the Scheme.

9.2 **Termination.** The Deed of Undertaking will terminate on the earliest of any of the following dates (the "**Expiry Date**"):

- (a) in the event the Implementation Agreement lapses or is terminated for any reason (other than a breach by Ivanhoe Cambridge Asia Inc. of its obligations in the Deed of

Undertaking) without the Scheme becoming effective, the date the Implementation Agreement lapses or is terminated;

- (b) if the Scheme lapses, is withdrawn or does not become effective by the Long-Stop Date, the Long-Stop Date; and
- (c) the date the Scheme becomes effective in accordance with its terms.

## 10. **APPROVALS REQUIRED**

10.1 **Scheme.** The Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the ALOG Unitholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at the ALOG EGM for the ALOG Scheme Amendments (the "**ALOG Scheme Amendments Resolution**");
- (b) the approval of a majority in number of the ALOG Unitholders representing at least three-fourths in value of the ALOG Units held by the ALOG Unitholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme (the "**ALOG Scheme Resolution**"); and
- (c) the Scheme Court Order being obtained.

**The ALOG Scheme Resolution is contingent upon the approval of the ALOG Scheme Amendments Resolution at the ALOG EGM. In the event that the ALOG Scheme Amendments Resolution is not approved, the ALOG Manager will not proceed with the Scheme Meeting. This means that the Scheme cannot be implemented by the ALOG Manager and the ESR-REIT Manager unless both the ALOG Scheme Amendments Resolution and the ALOG Scheme Resolution are approved at the ALOG EGM and the Scheme Meeting respectively.**

**In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.**

10.2 **SIC Confirmations.** Pursuant to the application made by the ESR-REIT Manager to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Scheme, the SIC has confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
  - (i) the ESR-REIT Manager, its concert parties, and the common substantial ESR-REIT Unitholders and ALOG Unitholders (i.e. those holding 5% or more interests in both ESR-REIT and ALOG) abstain from voting on the Scheme;

- (ii) ALOG appoints an independent financial adviser to advise the ALOG Unitholders on the Scheme;
  - (iii) the Scheme is approved by a majority in number representing three-fourths in value of the ALOG Units held by the ALOG Unitholders present and voting either in person or by proxy at the Scheme Meeting; and
  - (iv) the ALOG Manager obtains the Scheme Court Order;
- (b) it has no objections to the Scheme Conditions;
- (c) it has no objections to the Break Fee; and
- (d) with respect to the Switch Option:
- (i) the ESR-REIT Trustee and the ESR-REIT Manager may exercise the Switch Option, subject to:
    - (A) the Offer being on the same or better terms as those which apply to the Scheme or the ALOG Competing Proposal (whichever is the higher);
    - (B) the acceptance condition to the Offer being set at only more than 50% of the maximum potential ALOG Units in issue (and not conditional upon a higher level of acceptances);
    - (C) prior consultation with the SIC to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option; and
    - (D) disclosure in this Joint Announcement and the Scheme Document of the fact that the ESR-REIT Trustee and the ESR-REIT Manager reserve the right to exercise the Switch Option; and
  - (ii) the Scheme Conditions, to the extent applicable in the event of an Offer, may similarly be imposed as conditions precedent to the Offer becoming unconditional in all respects only after consultation with the SIC prior to the exercise of the Switch Option.

### 10.3 Rule 1309(1)(b) Waiver.

- (a) An application was made to the SGX-ST to, *inter alia*, seek approval for a waiver from compliance with Rule 1309(1)(b) of the Listing Manual, which requires a cash alternative to be offered as a default alternative for delisting (the "**Rule 1309(1)(b) Waiver**"). The Rule 1309(1)(b) Waiver was sought for the following reasons:
- (i) ESR-REIT is listed on the Main Board of the SGX-ST and the Consideration Units will be listed on the SGX-ST. Accordingly, the Consideration Units are

readily tradable and the ALOG Unitholders have the ability to exit their investment after the Merger if they wish to do so;

- (ii) the Scheme process provides sufficient safeguards for the ALOG Unitholders:
  - (A) an independent financial adviser would be appointed to advise on the Scheme, and their advice will be made known to ALOG Unitholders in the Scheme Document;
  - (B) the Scheme will require, *inter alia*, the approval of a majority in number of the ALOG Unitholders representing at least 75.0% in value of the ALOG Units held by the ALOG Unitholders present and voting in person or by proxy at the Scheme Meeting; and
  - (C) assuming that the Scheme is approved by the ALOG Unitholders at the Scheme Meeting, the Scheme will still be subject to sanction by the Court.
- (b) The SGX-ST has advised that it has no objection to the application for the Rule 1309(1)(b) Waiver, subject to the following conditions:
  - (i) ALOG announcing the Rule 1309(1)(b) Waiver granted, the reasons for seeking the Rule 1309(1)(b) Waiver, the conditions as required under Rule 107 of the Listing Manual, and if the Rule 1309(1)(b) Waiver conditions have been satisfied. If the Rule 1309(1)(b) Waiver conditions have not been met on the Joint Announcement Date, ALOG must make an update announcement when the conditions have all been met;
  - (ii) an independent financial adviser's opinion that the financial terms of the Scheme are fair and reasonable to the ALOG Unitholders; and
  - (iii) the Scheme becoming effective.

The conditions in paragraphs 10.3(b)(ii) and 10.3(b)(iii) have not been satisfied as at the Joint Announcement Date. The ALOG Manager will provide an update via future SGXNET announcement(s) when all the conditions have been satisfied.

10.4 **ESR-REIT EGM.** An extraordinary general meeting of ESR-REIT will also be convened to seek the approval of the ESR-REIT Unitholders for (a) the Merger, and (b) the issue of ESR-REIT Units in consideration for the Merger (collectively, the "**ESR-REIT Unitholders' Approvals**").

10.5 **Other Regulatory Approvals.** The Scheme will also require other regulatory approvals, as described in **Schedule 2** to this Joint Announcement.

## 11. **ABSTENTION FROM VOTING**

In accordance with the SIC's rulings as set out in paragraph 10.2(a)(i) above, the ESR-REIT Manager, its concert parties as well as the common substantial ESR-REIT Unitholders and ALOG Unitholders will abstain from voting on the Scheme.

In view of the Proposed ARA Acquisition, ARA, LOGOS Property Group Limited and their subsidiaries are deemed to be acting in concert with the ESR-REIT Manager under the Code. As such, LOGOS Units No. 1 Ltd, an indirect subsidiary of ARA and an ALOG Unitholder, will abstain from voting on the Scheme in respect of all of the ALOG Units held by it.

In addition, the ALOG Manager will abstain from voting on the Scheme pursuant to Rule 748(5) of the Listing Manual.

Accordingly, each of the parties named above shall decline to accept appointment as proxy to attend and vote at the Scheme Meeting.

## 12. **805 AUDITORS' OPINION**

The Parties have agreed to instruct, in the case of ESR-REIT, Ernst & Young LLP (the "**ESR-REIT 805 Auditors**") and in the case of ALOG, KPMG LLP (the "**ALOG 805 Auditors**") to:

- (a) perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on:
  - (i) in the case of the ESR-REIT 805 Auditors, the ALOG Statements of Investment Properties<sup>27</sup>, including by, among other things, reviewing the valuation reports of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties<sup>28</sup> as at 30 September 2021; and
  - (ii) in the case of the ALOG 805 Auditors, the ESR-REIT Statements of Investment Properties<sup>29</sup>, including by, among other things, reviewing the valuation reports of the ESR-REIT Real Properties and the EALP Real Properties<sup>30</sup> as at 30 September 2021; and
- (b) deliver an audit opinion as to whether:

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<sup>27</sup> "**ALOG Statements of Investment Properties**" means the statements prepared or to be prepared by the ALOG Manager and LOGOS Investment Manager Pty Ltd setting out the carrying values of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties respectively as at 30 September 2021, and related notes.

<sup>28</sup> "**ALOG Fund Real Properties**" means (a) the properties in Australia in which New LAIVS Trust holds a 100.0% interest, namely 69 Sargents Road, Minchinbury, New South Wales, 11-14 John Morphett Place, Erskine Park, New South Wales, 34-58 Marshall Court, Altona, Victoria and 27-43 Toll Drive, Altona North, Victoria; and (b) the property in Australia in which the Oxford Property Fund holds a 100.0% interest, namely 1 Hume Road, Laverton North, Victoria.

<sup>29</sup> "**ESR-REIT Statements of Investment Properties**" means the statements prepared or to be prepared by the ESR-REIT Manager and ESR Asset Management (Australia) Pty Ltd setting out the carrying values of the ESR-REIT Real Properties and the EALP Real Properties respectively as at 30 September 2021, and related notes.

<sup>30</sup> "**EALP Real Properties**" means the 36 properties in Australia in which EALP holds an interest.

- (i) in the case of the ESR-REIT 805 Auditors, the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group; and
- (ii) in the case of the ALOG 805 Auditors, the ESR-REIT Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ESR-REIT Group,

(respectively, the "**ESR-REIT 805 Auditors Opinion**" and "**ALOG 805 Auditors Opinion**"). The circular despatched to the ESR-REIT Unitholders will contain a copy of the ESR-REIT 805 Auditors Opinion and the Scheme Document despatched to the ALOG Unitholders will contain a copy of the ALOG 805 Auditors Opinion.

### **13. FINANCIAL ADVISERS**

- 13.1 **Financial Adviser to the ALOG Manager.** BofA Securities and DBS Bank Ltd. are the financial advisers to the ALOG Manager in respect of the Merger and the Scheme.
- 13.2 **Financial Advisers to the ESR-REIT Manager.** Citigroup Global Markets Singapore Pte. Ltd. and Maybank Kim Eng Securities Pte. Ltd. are the financial advisers to the ESR-REIT Manager in respect of the Merger and the Scheme (the "**ESR-REIT Financial Advisers**").
- 13.3 **Independent Financial Adviser to the ALOG Independent Directors.** ING Bank N.V., Singapore Branch has been appointed as the independent financial adviser (the "**ALOG IFA**") to advise the ALOG Trustee, the Audit Committee of the ALOG Manager and the directors of the ALOG Manager who are considered independent for the purposes of the Scheme (the "**ALOG Independent Directors**").

Full details of the Merger and the Scheme, including the recommendation of the ALOG Independent Directors along with the advice of the ALOG IFA (the "**ALOG IFA Letter**"), will be included in the Scheme Document.

- 13.4 **Independent Financial Adviser to the ESR-REIT Independent Directors.** Pursuant to Chapter 9 of the Listing Manual, the ESR-REIT Manager has appointed Rothschild & Co Singapore Limited as the independent financial adviser (the "**ESR-REIT IFA**") to advise the ESR-REIT Manager's Audit, Risk Management and Compliance Committee (the "**ARCC**") and its directors who are considered independent for the purposes of the interested person transaction and interested party transaction (the "**ESR-REIT Independent Directors**") as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

A copy of the letter from the ESR-REIT IFA to the ESR-REIT Independent Directors and the members of the ARCC will be included in the circular to be made available to the ESR-REIT Unitholders in due course.

#### 14. **CONFIRMATION OF FINANCIAL RESOURCES**

Maybank Kim Eng Securities Pte. Ltd., one of the ESR-REIT Financial Advisers, confirms that sufficient financial resources are available to ESR-REIT to satisfy in full the aggregate Cash Consideration for the Scheme.

#### 15. **SCHEME DOCUMENT**

A copy of the notice of the Scheme Meeting to approve the Scheme will be included in the Scheme Document containing full details of the Merger and the Scheme (including the recommendation of the ALOG Independent Directors along with the ALOG IFA Letter) will be despatched or made available to ALOG Unitholders in due course.

**ALOG Unitholders are advised to refrain from taking any action in relation to their ALOG Units which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the ALOG Independent Directors on the Scheme as well as the advice of the ALOG IFA set out in the Scheme Document.**

**Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

#### 16. **DISCLOSURE OF INTERESTS**

16.1 **ALOG Manager.** As at the Joint Announcement Date, based on the latest information available to the ALOG Manager, the interests in ALOG Units held by the directors of the ALOG Manager are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of ALOG Units	% <sup>(1)</sup>	No. of ALOG Units	% <sup>(1)</sup>
Lim How Teck	1,938,600	0.134	-	-
Lim Lee Meng	-	-	-	-
Lim Kong Puay	-	-	-	-
Oh Eng Lock	25,500	0.002	-	-
Stephen George Hawkins	-	-	-	-
Low Poh Choo	-	-	-	-

**Note:**

(1) All references to percentage shareholding of the issued ALOG Units in this paragraph 16.1 of this Joint Announcement are based on the total issued ALOG Units as at the Joint Announcement Date, being 1,450,174,297 ALOG Units in issue. Percentages are rounded to the nearest three (3) decimal places.

Save as disclosed in this Joint Announcement, no director of the ALOG Manager or controlling ALOG Unitholder has any interest in the Scheme (other than by reason only of being a director of the ALOG Manager or an ALOG Unitholder).



## 16.2 ESR-REIT Manager.

(a) **Holdings.** Save as disclosed in paragraphs 16.2(b) and 16.2(c) below, as at the Joint Announcement Date, based on the latest information available to the ESR-REIT Manager, none of (i) ESR Cayman Limited, (ii) the members of the investment strategy committee of ESR Cayman Limited, (iii) the ESR-REIT Manager and its directors, and (iv) the ESR-REIT Financial Advisers (each, a "**Relevant Person**" and collectively, the "**Relevant Persons**") owns, controls or has agreed to acquire any:

(A) (1) ALOG Units; (2) securities which carry voting rights in ALOG; and (3) convertible securities, warrants, options or derivatives in respect of such ALOG Units and/or securities which carry voting rights in ALOG (collectively, the "**ALOG Securities**"); or

(B) (1) ESR-REIT Units; (2) securities which carry voting rights in ESR-REIT; and (3) convertible securities, warrants, options or derivatives in respect of such ESR-REIT Units or securities which carry voting rights in ESR-REIT.

(b) **Holdings of ALOG Units.** As at the Joint Announcement Date, based on the latest information available to the ESR-REIT Manager, the interests in the ALOG Units held by the Relevant Persons are set out below:

Relevant Person	Direct Interest		Deemed Interest	
	No. of ALOG Units	% <sup>(1)</sup>	No. of ALOG Units	% <sup>(1)</sup>
Ms. Stefanie Yuen Thio	63,543	0.004	-	-
Mr. Wilson Ang Poh Seong	112,700	0.008	-	-
Maybank Kim Eng Securities Pte. Ltd. (" <b>MKES</b> ")	15,943 <sup>(2)</sup>	0.001	-	-

### Notes:

(1) All references to percentage shareholding of the issued ALOG Units in this paragraph 16.2(b) of this Joint Announcement are based on the total issued ALOG Units as at the Joint Announcement Date, being 1,450,174,297 ALOG Units. Percentages are rounded to the nearest three (3) decimal places.

(2) MKES is the counterparty to certain derivatives products known as contracts for difference ("**CFDs**") which were opened by MKES' clients. The relevant CFDs represent purchases of 15,943 ALOG Units by the clients, and provide them with a synthetic economic exposure that is similar to them holding ALOG Units directly. As the counterparty to CFDs opened by these clients, MKES would be economically exposed to market price fluctuations. MKES maintains a neutral exposure to the 15,943 ALOG Units referenced under the relevant CFDs by directly purchasing and holding such number of ALOG Units equal to the number of referenced units under the relevant CFDs when the clients opened them.

(c) **Holdings of ESR-REIT Units.** As at the Joint Announcement Date, based on the latest information available to the ESR-REIT Manager, the interests in ESR-REIT Units held by the Relevant Persons are set out below:

Relevant Person	Direct Interest		Deemed Interest	
	No. of ESR-REIT Units	% <sup>(1)</sup>	No. of ESR-REIT Units	% <sup>(1)</sup>
ESR Cayman Limited	-	-	378,098,082	9.435
ESR-REIT Manager	33,061,223	0.825		
Mr. Ronald Lim	163,837	0.004	-	
Ms. Stefanie Yuen Thio	153,279	0.004	37,951	0.001
Mr. Wilson Ang	3,914,774	0.098	-	-
Mr. Tong Jinquan	172,802,987	4.312	668,186,055	16.674
MKES	115,000 <sup>(2)</sup>	0.003	-	-

**Notes:**

- (1) All references to percentage shareholding of the issued ESR-REIT Units in this paragraph 16.2 of this Joint Announcement are based on the total issued ESR-REIT Units as at the Joint Announcement Date, being 4,007,446,385 ESR-REIT Units in issue. Percentages are rounded to the nearest three (3) decimal places.
- (2) MKES is the counterparty to certain derivatives products known as CFDs which were opened by MKES' clients. The relevant CFDs represent purchases of 115,000 ESR-REIT Units by the clients, and provide them with a synthetic economic exposure that is similar to them holding ESR-REIT Units directly. As the counterparty to CFDs opened by these clients, MKES would be economically exposed to market price fluctuations. MKES maintains a neutral exposure to the 115,000 ESR-REIT Units referenced under the relevant CFDs by directly purchasing and holding such number of ESR-REIT Units equal to the number of referenced units under the relevant CFDs when the clients opened them.
- (d) **Other Arrangements.** As at the Joint Announcement Date, based on the latest information available to the ESR-REIT Manager, none of the Relevant Persons has:
- (i) granted a security interest over any ALOG Securities to another person, whether through a charge, pledge or otherwise;
  - (ii) borrowed from another person any ALOG Securities (excluding borrowed securities which have been on-lent or on-sold); or
  - (iii) lent to another person any ALOG Securities.
- (e) **Irrevocable Undertaking.** As at the Joint Announcement Date, based on the latest information available to the ESR-REIT Manager, none of the Relevant Persons has received any irrevocable commitment or undertakings from any party to vote and/or procure the voting of all of the ALOG Units to approve the Scheme and any other matter necessary or proposed to implement the Scheme.
- (f) **Confidentiality.** In the interests of confidentiality, save for the Relevant Persons, the ESR-REIT Manager has not made any enquiries in respect of certain other parties who are or who may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, the ESR-REIT Financial Advisers have not made any enquiries in respect of the other members of their respective groups. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document.

## 17. **OVERSEAS ALOG UNITHOLDERS**

The applicability of the Scheme to ALOG Unitholders whose addresses are outside Singapore, as shown on the Register of Unitholders of ALOG, or as the case may be, in the records of The Central Depository (Pte) Limited (each, an "**Overseas ALOG Unitholder**"), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas ALOG Unitholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the ESR-REIT Manager and the ALOG Manager reserve the right not to send such document to the ALOG Unitholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all the ALOG Unitholders (including the Overseas ALOG Unitholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

**Overseas ALOG Unitholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.**

Further details in relation to the Overseas ALOG Unitholders will be contained in the Scheme Document.

## 18. **DOCUMENTS FOR INSPECTION**

The Implementation Agreement will be made available for inspection<sup>31</sup> by ALOG Unitholders during normal business hours at the office of the ALOG Manager in Singapore at 50 Collyer Quay, #05-05 OUE Bayfront, Singapore 049321, from the Joint Announcement Date up until the Effective Date.

## 19. **RESPONSIBILITY STATEMENTS**

- 19.1 **ESR-REIT Manager.** The directors of the ESR-REIT Manager (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (other than those relating to ALOG and/or the ALOG Manager) are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. The directors of the ESR-REIT Manager jointly and severally accept responsibility accordingly.

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<sup>31</sup> Prior appointment is required in light of the COVID-19 situation. Please contact ALOG's Investors Relations team (telephone: +65 6428 7769).

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including the ARA Acquisition Announcement) or obtained from a named source (including ALOG and/or the ALOG Manager), the sole responsibility of the directors of the ESR-REIT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the ESR-REIT Manager do not accept any responsibility for any information relating to ALOG and/or the ALOG Manager or any opinion expressed by ALOG and/or the ALOG Manager.

- 19.2 **ALOG Manager.** The directors of the ALOG Manager (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (other than those relating to ESR-REIT and/or the ESR-REIT Manager) are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. The directors of the ALOG Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including the ARA Acquisition Announcement) or obtained from a named source (including ESR-REIT and/or the ESR-REIT Manager), the sole responsibility of the directors of the ALOG Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the ALOG Manager do not accept any responsibility for any information relating to ESR-REIT and/or the ESR-REIT Manager or any opinion expressed by ESR-REIT and/or the ESR-REIT Manager.

15 October 2021

**BY ORDER OF THE BOARD**

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

**BY ORDER OF THE BOARD**

**ARA LOGOS Logistics Trust Management Limited**  
as Manager of ARA LOGOS Logistics Trust  
(Company Registration No. 200919331H)

Any queries relating to this Joint Announcement, the Merger or the Scheme should be directed to one of the following:

ESR Funds Management (S) Limited  
Citigroup Global Markets Singapore Pte. Ltd.  
Tel: +65 6657 1959

ARA LOGOS Logistics Trust Management Limited  
BofA Securities  
Tel: +65 6678 0066

Maybank Kim Eng Securities Pte. Ltd.  
Tel: +65 6231 5179

DBS Bank Ltd.  
Tel: +65 6878 4155

#### Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the ESR-REIT Manager's and the ALOG Manager's current view of future events, and neither the ESR-REIT Manager nor the ALOG Manager undertakes any obligation to update publicly or revise any forward-looking statements.

The value of the ESR-REIT Units or ALOG Units (the "**Units**") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the ESR-REIT Manager, the ALOG Manager or any of their affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the ESR-REIT Manager or the ALOG Manager to redeem or purchase their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Joint Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of ALOG and the ALOG Manager is not necessarily indicative of the future performance of ALOG and the ALOG Manager. The past performance of ESR-REIT and the ESR-REIT Manager is not necessarily indicative of the future performance of ESR-REIT and the ESR-REIT Manager.

## SCHEDULE 1

### EXPECTED INDICATIVE TIMELINE

Key Event	Date
Expected date of first Court Hearing of the application to convene the Scheme Meeting <sup>(1)</sup>	▪ December 2021
Expected date of ESR-REIT EGM (AM)	▪ Early January 2022
Expected date of ALOG EGM and Scheme Meeting (PM)	
Expected date of second Court Hearing for Court Approval of Scheme <sup>(1)</sup>	▪ Late January 2022
Expected Effective Date of Scheme	▪ Early February 2022
Expected payment of Cash Consideration and allotment and issuance of Consideration Units to ALOG Unitholders	▪ February 2022
Expected commencement date of trading of Consideration Units	▪ February 2022
Expected delisting of ALOG	▪ February 2022

**Note:**

- (1) The dates of the Court hearings of the application to (i) convene the Scheme Meeting and (ii) approve the Scheme will depend on the dates that are allocated by the Court.

**All dates and times referred to above are to Singapore dates and times. Please note that the above timeline is indicative only and may be subject to change. Please refer to future SGXNET announcement(s) by the ALOG Manager and/or the ESR-REIT Manager for the exact dates of these events.**

## SCHEDULE 2

### SCHEME CONDITIONS

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the ALOG Manager in Singapore from the Joint Announcement Date up until the Effective Date.

The Merger is conditional upon the following:

- (a) Amendment of ALOG Trust Deed: the approval of the ALOG Unitholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at the extraordinary general meeting for the amendment of the ALOG Trust Deed to include provisions that will facilitate the implementation of the Scheme, in such form and substance as agreed in writing by the Parties;
- (b) ALOG Unitholders' Approval for the Scheme: the approval of a majority in number of the ALOG Unitholders representing at least three-fourths in value of the ALOG Units held by the ALOG Unitholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme;
- (c) Court Approval for the Scheme: the Scheme Court Order being obtained;
- (d) Regulatory Approvals: all the Regulatory Approvals having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to the Record Date, including without limitation, the following:
  - (i) confirmation from the SIC that:
    - (A) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme, subject to any conditions the SIC may deem fit to impose;
    - (B) it has no objections to the Scheme Conditions;
    - (C) it has no objections to the Switch Option; and
    - (D) it has no objections to the Break Fee;
  - (ii) approval-in-principle from the SGX-ST for the Scheme, the Scheme Document and for the proposed delisting of ALOG from the SGX-ST;
  - (iii) approval-in-principle from the SGX-ST for the ESR-REIT Circular, and the listing and quotation for the Consideration Units on the Main Board of the SGX-ST;
  - (iv) a waiver from the SGX-ST from compliance with Rule 1309(1) of the Listing Manual, which requires a cash alternative to be offered as a default alternative for a delisting of

ALOG;

- (v) there being no objections from JTC to the Merger and to ALOG continuing to hold the ALOG SG Real Properties<sup>32</sup> after completion of the Merger when ALOG would become a private trust wholly owned by the ESR-REIT Trustee (as trustee of ESR-REIT);
  - (vi) there being no objections from the MAS:
    - (A) to the withdrawal of the authorisation of ALOG as an authorised collective investment scheme in the event the Merger is implemented and ALOG is delisted from the Main Board of the SGX-ST; and
    - (B) to grant an exemption to ALOG from the requirements set out in Section 295(2) of the SFA in the event the authorisation of ALOG as an authorised collective investment scheme is withdrawn;
  - (vii) confirmation from the Inland Revenue Authority of Singapore that stamp duty is not chargeable on the transfer of ALOG Units held by the ALOG Unitholders to the ESR-REIT Trustee (as trustee of ESR-REIT) and a tax ruling from the Inland Revenue Authority of Singapore that ALOG will be an approved sub-trust and enjoy tax transparency;
  - (viii) confirmation from the state revenue offices of Victoria, New South Wales and Queensland that the concessional rate of stamp duty will apply to the transfer of ALOG Units held by the ALOG Unitholders to the ESR-REIT Trustee (as trustee of ESR-REIT); and
  - (ix) in relation to Australian foreign investment approval, either:
    - (A) receipt by the ESR-REIT Trustee of a written notice under the Australian *Foreign Acquisitions and Takeovers Act 1975* from the Treasurer of the Commonwealth of Australia (or his or her delegate) stating that, or to the effect that, the Australian Commonwealth Government does not object to the Merger, either without conditions or otherwise on terms acceptable to the ESR-REIT Trustee, acting reasonably; or
    - (B) following the ESR-REIT Trustee giving notice of the Merger to the Treasurer of the Commonwealth of Australia under the Australian *Foreign Acquisitions and Takeovers Act 1975*, the Treasurer of the Commonwealth of Australia ceases to be empowered to make any order under Division 2 of Part 3 of the Australian Foreign Acquisitions and Takeovers Act 1975.
- (e) ESR-REIT Unitholders' Approvals for the Merger: the approval of the ESR-REIT Unitholders for:
- (i) the Merger;

<sup>32</sup>

"ALOG SG Real Properties" means the ALOG Real Properties which are located in Singapore.



- (ii) the issue of Consideration Units in consideration for the Merger; and
  - (iii) such other resolutions that may be identified by the ESR-REIT Manager and/or the ESR-REIT Trustee with the consent of the SIC as necessary to give effect to and implement the Merger and the Scheme;
- (f) No Legal or Regulatory Restraint: between the date of the Implementation Agreement and up to the Record Date, no issuance of any order, injunction, judgment, decree or ruling issued by any Governmental Authority or by any court of competent jurisdiction preventing the Merger or the implementation of the Scheme, being in effect as at the Record Date;
- (g) No Prescribed Occurrence: between the date of the Implementation Agreement and up to the Record Date, no Prescribed Occurrence in relation to the ALOG Group and/or the ESR-REIT Group (as the case may be) occurs other than as required or contemplated by the Implementation Agreement, the Scheme or the Merger;
- (h) ALOG Representations and Warranties: there being no breach of the Warranties of the ALOG Manager and the ALOG Trustee in relation to ALOG which is material in the context of the Scheme as at the date of the Implementation Agreement and as at the Record Date as though made on and as at that date except to the extent any such Warranty expressly relates to an earlier date (in which case as at such earlier date);
- (i) ESR-REIT Representations and Warranties: there being no breach of the Warranties of the ESR-REIT Manager and the ESR-REIT Trustee in relation to ESR-REIT which is material in the context of the Scheme as at the date of the Implementation Agreement and as at the Record Date as though made on and as at that date except to the extent any such Warranty expressly relates to an earlier date (in which case as at such earlier date);
- (j) Material Adverse Effect: there being no event or events, whether individually or in aggregate, occurring from the date of the Joint Announcement which has or have the effect of causing a diminution:
- (i) in relation to the ALOG Group:
    - (A) in the consolidated net assets attributable to unitholders of the ALOG Group by more than S\$97,782,800, being 10 per cent. of the consolidated net assets attributable to unitholders of the ALOG Group of S\$977,828,000 as at 30 June 2021 as stated in the ALOG 1H2021 Financial Statements, as determined by reference to the later of (1) the latest publicly released unaudited consolidated financial statements of ALOG prior to the Record Date, and (2) the unaudited consolidated management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the ALOG Financial Statements) as at the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier; or
    - (B) in the consolidated gross revenue of the ALOG Group by more than S\$6,655,200, being 10 per cent. of the consolidated gross revenue of the

ALOG Group of S\$66,552,000 for the six (6)-month period ended 30 June 2021 as stated in the ALOG 1H2021 Financial Statements, as determined by reference to the unaudited consolidated management income statement (prepared using the same accounting policies and methods of computation with those applied in the ALOG Financial Statements) for the six (6)-month period ending on the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier,

(in each case, an "**ALOG Material Adverse Effect**"); and

(ii) in relation to the ESR-REIT Group:

(A) in the consolidated net assets attributable to unitholders of the ESR-REIT Group by more than S\$154,230,300, being 10 per cent. of the consolidated net assets attributable to unitholders of the ESR-REIT Group of S\$1,542,303,000 as at 30 June 2021 as stated in the ESR-REIT 1H2021 Financial Statements, as determined by reference to the later of (1) the latest publicly released unaudited consolidated financial statements of ESR-REIT prior to the Record Date, and (2) the unaudited consolidated management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the ESR-REIT Financial Statements) as at the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier; or

(B) in the consolidated gross revenue of the ESR-REIT Group by more than S\$11,984,000, being 10 per cent. of the consolidated gross revenue of the ESR-REIT Group of S\$119,840,000 for the six (6)-month period ended 30 June 2021 as stated in the ESR-REIT 1H2021 Financial Statements, as determined by reference to the unaudited consolidated management income statement (prepared using the same accounting policies and methods of computation with those applied in the ESR-REIT Financial Statements) for the six (6)-month period ending on the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier,

(in each case, an "**ESR-REIT Material Adverse Effect**").

For the avoidance of doubt, distributions that have already been paid to the ALOG Unitholders or ESR-REIT Unitholders prior to the date of the Implementation Agreement, as well as the ALOG Permitted Distributions and ESR-REIT Permitted Distributions shall not be taken into account in determining if there has been an ALOG Material Adverse Effect or ESR-REIT Material Adverse Effect; and

(k) ALOGTM Acquisition: the completion of the indirect acquisition of the ALOG Manager by ESR Cayman Limited in connection with the acquisition agreement dated 4 August 2021 between ESR Cayman Limited, ARA Asset Management Limited and certain sellers.

### SCHEDULE 3

#### THE PRESCRIBED OCCURRENCES

For the purpose of the Implementation Agreement, "**Prescribed Occurrence**", in relation to the ALOG Group and the ESR-REIT Group, as the case may be, means any of the following:

- (a) Securities Buy-back
- (b) Allotment of Units/Shares
- (c) Conversion of ALOG Units / ESR-REIT Units
- (d) Amendment of Trust Deeds
- (e) Issuance of Debt Securities
- (f) Distributions
- (g) Injunctions
- (h) Cessation of Business
- (i) Investigations and Proceedings
- (j) Resolution for Winding Up
- (k) Order of Court for Winding Up
- (l) Appointment of Liquidator and Judicial Manager
- (m) Composition
- (n) Appointment of Receiver
- (o) Insolvency
- (p) Suspension or delisting from the SGX-ST
- (q) Analogous Event

## SCHEDULE 4

### PRO FORMA FINANCIAL EFFECTS OF THE MERGER ON ALOG

Purely for illustrative purposes only, the pro forma financial effects of the Merger on ALOG and ESR-LOGOS REIT are set out in the tables below.

#### 1. DPU for FY2020

The pro forma financial effects of the Merger on the amount available for distribution to ALOG Unitholders, the number of ALOG Units and ALOG's DPU, and the accretion thereof, for FY2020, assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions (as defined herein), the FY2021 ESR-REIT Divestments (as defined herein), the ESR-REIT EFR (as defined herein), the FY2021 ALOG Acquisitions (as defined herein), the FY2021 ALOG Divestments (as defined herein) and the ALOG EFR (as defined herein) were completed on 1 January 2020, are as follows:

	ALOG for FY2020		Effects of the Merger – ESR- LOGOS REIT basis
	Actual	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments and ALOG EFR	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR, and the Merger
Amount available for distribution (S\$'000)	58,828	73,779	187,706
Applicable number of ALOG Units ('000)	1,120,533	1,448,293	6,394,774
DPU (cents)	5.250	5.094	2.935
DPU for existing ALOG Unitholders (cents)	5.250	5.094	5.512 <sup>33</sup>
Accretion (%)			8.2%

#### 2. NAV and NTA per ALOG Unit for FY2020

The pro forma financial effects of the Merger on the NAV and NTA, the number of ALOG Units, and NAV and NTA per ALOG Unit, and the accretion thereof, as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the

<sup>33</sup> Based on ESR-LOGOS REIT's FY2020 pro forma DPU multiplied by a net exchange ratio of 1.6765 and assuming that the Cash Consideration is reinvested at ESR-REIT's one (1)-month VWAP of S\$0.472 as at 14 October 2021.

FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ALOG Revaluation were completed on 31 December 2020, are as follows:

	ALOG as at 31 December 2020		Effects of the Merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR and ALOG Revaluation	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR, ALOG Revaluation and the Merger
NAV and NTA (S\$'000)	678,545	1,001,301	2,423,207
Number of issued ALOG Units ('000)	1,186,966 <sup>34</sup>	1,446,864	6,431,571
NAV and NTA per ALOG Unit (cents)	57.2	69.2	37.7
NAV and NTA per existing ALOG Unit (cents)	57.2	69.2	70.8 <sup>35</sup>
Accretion (%)			2.2%

### 3. Aggregate Leverage for FY2020

The pro forma financial effects of the Merger on ALOG's aggregate leverage as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ALOG Revaluation were completed on 31 December 2020, are as follows:

<sup>34</sup> Includes 3,681,162 ALOG Units issued to the ALOG Manager on 26 January 2021 as partial consideration of the ALOG Manager's base fees for Q4 FY2020 and performance fees for FY2020, but excludes 91,112,930 ALOG Units issued on 25 January 2021 in connection with the preferential offering.

<sup>35</sup> Based on ESR-LOGOS REIT's FY2020 pro forma NAV multiplied by a net exchange ratio of 1.6765 and assuming that the Cash Consideration is reinvested at ESR-REIT's one (1)-month VWAP of S\$0.472 as at 14 October 2021.

	ALOG as at 31 December 2020		Effects of the Merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR and ALOG Revaluation	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR, ALOG Revaluation and the Merger
Aggregate leverage (%)	39.0%	39.8%	42.1%

## INTRODUCTION

These pro forma financial effects have been prepared in connection with the Merger.

## BASES AND ASSUMPTIONS UNDERLYING THE PRO FORMA FINANCIAL EFFECTS OF THE MERGER

### Basis of Preparation for the pro forma financial effects of the Merger on ALOG's DPU for FY2020

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the consolidated audited financial statements of ESR-REIT which were announced on 7 April 2021 ("**FY2020 ESR-REIT Audited Financial Statements**") and the consolidated audited financial statements of ALOG for FY2020 which were announced on 8 April 2021 ("**FY2020 ALOG Audited Financial Statements**"), for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ALOG's DPU for FY2020.

The assumptions are set out as follows:

- (a) the Merger had occurred on 1 January 2020;
- (b) the following acquisitions by ESR-REIT had occurred on 1 January 2020:
  - (i) the acquisition of 10.0% interest in ESR Australia Logistics Partnership ("**EALP**") which was actually completed on 14 May 2021; and
  - (ii) the acquisition of 46A Tanjong Penjuru which was actually completed on 29 June 2021, (collectively, the "**FY2021 ESR-REIT Acquisitions**"), and a full year pro forma financial effect from the FY2021 ESR-REIT Acquisitions was included;
- (c) the following divestments by ESR-REIT had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:
  - (i) the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East as announced on 28 April 2021; and
  - (ii) the divestment of 45 Changi South Avenue 2 as announced on 30 August 2021, (collectively, the "**FY2021 ESR-REIT Divestments**"), and the actual financial information of the FY2021 ESR-REIT Divestments for FY2020 were excluded from the pro forma financial effects of the Merger;
- (d) the ESR-REIT equity fund raising comprising a private placement of 268,818,000 new ESR-REIT Units and a preferential offering of 124,071,569 new ESR-REIT Units (the "**ESR-REIT EFR**"), which were actually completed on 18 May 2021 and 26 August 2021 respectively and raised gross proceeds of S\$149.6 million to partially finance the FY2021 ESR-REIT Acquisitions, had occurred on 1 January 2020;

- (e) the following acquisitions by ALOG had occurred on 1 January 2020:
- (i) the acquisition of 47 Logistics Place, Larapinta, Queensland located in Australia which was actually completed on 16 April 2021;
  - (ii) the acquisition of (1) 1-5 & 2-6 Bishop Drive, (2) 8 Curlew Street, and (3) 53 Peregrine Drive, all located in Port of Brisbane, Queensland, Australia which was actually completed on 21 April 2021;
  - (iii) the acquisition of a 49.5% interest in the New LAIVS Trust and a 40.0% interest in the Oxford Property Fund which was actually completed on 16 April 2021; and
  - (iv) completion of the development and acquisition of the Heron Property (which is currently under development and is expected to be completed by December 2021) based on its contracted purchase consideration,
- (collectively, the "**FY2021 ALOG Acquisitions**"), and a full year pro forma financial effect from the FY2021 ALOG Acquisitions was included;
- (f) the following divestments by ALOG had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:
- (i) the divestment of 3 Changi South Street 3, also known as ALOG Changi DistriCentre 2, as announced on 22 April 2021; and
  - (ii) the divestment of 404-450 Findon Road, Kidman Park, South Australia in Australia as announced on 26 April 2021;
- (collectively, the "**FY2021 ALOG Divestments**"), and the actual financial information of the FY2021 ALOG Divestments for FY2020 was excluded from the pro forma financial effects of the Merger;
- (g) the ALOG equity fund raising comprising a private placement of 90,498,000 new ALOG Units and a preferential offering of 91,112,930 new ALOG Units (together with the ALOG Subscription Units Issuance (as defined below), the "**ALOG EFR**"), which were actually completed on 11 November 2020 and 25 January 2021 respectively, and raised gross proceeds of S\$100.3 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;
- (h) the issuance of 126,696,800 new ALOG Units to Ivanhoe Cambridge Asia, and 33,846,100 new ALOG Units to LOGOS Units No. 1 (the "**ALOG Subscription Units Issuance**") which was actually completed on 16 April 2021 and raised gross proceeds of S\$88.7 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;
- (i) the ESR-REIT Real Properties and the EALP Real Properties held as at 30 September 2021 were revalued in FY2020 based on their latest actual independent valuations as at 30 September 2021;



- (j) the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 1 January 2020 based on their latest actual independent valuations as at 30 September 2021 and these valuations remained unchanged throughout FY2020 (the "**ALOG Revaluation**");
- (k) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the FY2020 ALOG Audited Financial Statements;
- (l) based on the number of ALOG Units issued as at the Joint Announcement Date, the Scheme Consideration of approximately S\$1,377.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$137.8 million and the issuance of approximately 2,431.2 million new ESR-REIT Units;
- (m) ALOG's total borrowings and related interest rate swaps of approximately S\$768.7 million<sup>36</sup> and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million<sup>37</sup> at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (n) the estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger and ESR-LOGOS REIT did not incur any land rent expenses for the ALOG SG Real Properties in FY2020;
- (o) acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 31.1 million new ESR-REIT Units at the illustrative issue price of S\$0.510 per ESR-REIT Unit;
- (p) ALOG's asset management and trustee fee structures were replaced with the management fee and trustee fee structures in the ESR-REIT Trust Deed with effect from 1 January 2020. Consequently, no performance fee was paid by ESR-LOGOS REIT for FY2020 and approximately 64.1% of the asset management fees for ESR-LOGOS REIT was paid in ESR-REIT Units;
- (q) estimated professional fees, stamp duty, and other fees and expenses of approximately S\$32.9 million related to the Merger were funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum;
- (r) transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off; and
- (s) excludes any other operational and trust level savings or potential synergies from the Merger.

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<sup>36</sup> Inclusive of S\$11 million of ALOG transaction costs

<sup>37</sup> Inclusive of S\$11 million of ALOG transaction costs

## **Basis of Preparation for the pro forma financial effects of the Merger on ALOG's NAV and NTA per Unit and aggregate leverage as at 31 December 2020**

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the FY2020 ESR-REIT Audited Financial Statements which was announced on 7 April 2021 and the FY2020 ALOG Audited Financial Statements which was announced on 8 April 2021, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ALOG's NAV and NTA per ALOG Unit and aggregate leverage as at 31 December 2020.

The assumptions are set out as follows:

- (a) the Merger had occurred on 31 December 2020;
- (b) the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments and the ESR-REIT EFR had occurred on 31 December 2020;
- (c) the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, and the ALOG EFR had occurred on 31 December 2020;
- (d) the ESR-REIT Real Properties, the EALP Real Properties, the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 31 December 2020 based on their latest actual independent valuations as at 30 September 2021;
- (e) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the FY2020 ALOG Audited Financial Statements;
- (f) based on the number of ALOG Units issued as at the Joint Announcement Date, the Scheme Consideration of approximately S\$1,377.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$137.8 million and the issuance of approximately 2,431.2 million new ESR-REIT Units;
- (g) ALOG's total borrowings and related interest rate swaps of approximately S\$768.7 million<sup>38</sup> and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million<sup>39</sup> at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (h) estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger;
- (i) acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 31.1 million new ESR-REIT Units at the illustrative issue price of S\$0.510 per ESR-REIT Unit;

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<sup>38</sup> Inclusive of S\$11 million of ALOG transaction costs

<sup>39</sup> Inclusive of S\$11 million of ALOG transaction costs

- (j) estimated professional fees, stamp duty, and other fees and expenses of approximately S\$32.9 million related to the Merger were funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum; and
- (k) transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off.