



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

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

**RECEIPT OF APPROVAL IN-PRINCIPLE FOR LISTING AND QUOTATION OF
UP TO 2,607.6 MILLION NEW UNITS OF ESR-REIT
PURSUANT TO THE MERGER**

1. INTRODUCTION

1.1 ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), refers to:

- (a) the announcement made by the ESR-REIT Manager on 15 October 2021 titled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement" (the "**Acquisition Announcement**"); and
- (b) the announcement made by the ESR-REIT Manager on 22 January 2022 titled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement – Revision of Scheme Consideration" (the "**Revised Acquisition Announcement**").

All capitalised terms used in this announcement (the "**Announcement**") shall, unless otherwise defined or the context otherwise requires, have the same meaning as given to them in the Acquisition Announcement and the Revised Acquisition Announcement.

1.2 As stated in the Revised Acquisition Announcement, the proposed merger (the "**Merger**") of ESR-REIT and ARA LOGOS Logistics Trust ("**ALOG**") 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**") by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers. Each of the ESR-REIT Trustee and the ESR-REIT Manager will, upon the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.970 (the "**Scheme Consideration**") for each ALOG Unit held by each of the ALOG Unitholders as at the books closure date to be announced by the manager of ALOG (the "**ALOG Manager**") on which the register of ALOG Unitholders will be closed in order to determine the entitlements of the ALOG Unitholders in respect of the Scheme, which shall be satisfied by:

- (a) firstly, the payment of a sum of S\$0.097 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 1.7729 new ESR-REIT Units (the "**Consideration Units**") at an issue price of S\$0.4924 for each Consideration Unit, such Consideration Units to be credited as fully paid.

2. APPROVAL IN-PRINCIPLE

- 2.1 The ESR-REIT Manager is pleased to announce that approval in-principle was received on 18 February 2022 from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of up to 2,607.6 million Consideration Units on the Main Board of the SGX-ST.
- 2.2 The in-principle approval of the SGX-ST is subject to, among others, the following conditions:
 - (a) compliance with the SGX-ST's listing requirements;
 - (b) approval of the independent unitholders of ESR-REIT (the "**ESR-REIT Unitholders**") being obtained for the Merger and the issue of the Consideration Units; and
 - (c) the approval of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court and the Court of Appeal of the Republic of Singapore, for the implementation of the Scheme.
- 2.3 The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Merger, the Consideration Units, ESR-REIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Announcement.

3. FURTHER DETAILS

The ESR-REIT Manager will make further announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Merger, the Scheme, the Implementation Agreement and/or other matters contemplated by this Announcement.

Further details on the Merger, the Scheme and the related transactions in connection therewith will be set out in the circular to ESR-REIT Unitholders to be issued in due course, together with a notice of the EGM that the ESR-REIT Manager proposes to convene for the purpose of seeking the relevant approvals of ESR-REIT Unitholders in relation to the Merger and the issue of the Consideration Units.

In the meantime, ESR-REIT Unitholders are advised to refrain from taking any action in relation to their ESR-REIT Units which may be prejudicial to their interests, until they or their advisers have considered the information and the recommendations of the directors of the ESR-REIT Manager who are considered independent for the purposes of the Merger as an interested person transaction and interested party transaction, on the Merger and the proposed issue of the Consideration Units, as well as the advice of the independent financial adviser, Rothschild & Co Singapore Limited, which will be set out in the circular to ESR-REIT Unitholders to be issued in due course.

ESR-REIT Unitholders who are in doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited

As Manager of ESR-REIT

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

Adrian Chui

Chief Executive Officer and Executive Director

18 February 2022

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

Citigroup Global Markets Singapore Pte. Ltd.

Tel: +65 6657 1959

Maybank Securities Pte. Ltd.

(formerly known as Maybank Kim Eng Securities Pte. Ltd.)

Tel: +65 6231 5179

Responsibility Statement

The directors of the ESR-REIT Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this 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 Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the ESR-REIT Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources 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 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.

About ESR-REIT

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

ESR-REIT invests in quality income-producing industrial properties and as at 31 December 2021 holds interest in a diversified portfolio of 56 properties located across Singapore, with a total gross floor area of approximately 15.3 million square feet and an aggregate property value of S\$3.2 billion¹. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide. 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.

The Manager's objective is to provide Unitholders with a stable income stream through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Proactive asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

ESR Funds Management (S) Limited, the Manager of ESR-REIT, is owned by namely, ESR Cayman Limited ("**ESR**") (67.3%), Shanghai Summit Pte. Ltd. (25.0%), and Mitsui & Co., Ltd (7.7%).

For further information on ESR-REIT, please visit www.esr-reit.com.sg.

¹ Includes 100% of the valuation of 7000 Ang Mo Kio Avenue 5 and 48 Pandan Road, in which ESR-REIT holds 80% interest in 7000 Ang Mo Kio Avenue 5 and 49% interest in 48 Pandan Road, but excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 Leases which became effective on 1 January 2019.

About the Sponsor, ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion in gross assets under management (AUM), ESR's fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. ESR provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across its private funds business, which allows capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by ESR and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. ESR's purpose – Space and Investment Solutions for a Sustainable Future – drives it to manage sustainably and impactfully and ESR considers the environment and the communities in which it operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. More information is available at www.esr.com.

Important Notice

The value of units in ESR-REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of ESR Funds Management (S) Limited ("**Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) ("**Trustee**"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This Announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-REIT's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This Announcement is for information purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this Announcement is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.