



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

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

**ENTRY INTO S\$835 MILLION AND A\$365 MILLION UNSECURED LOAN FACILITIES**

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**1. ENTRY INTO S\$835 MILLION AND A\$365 MILLION UNSECURED LOAN FACILITIES**

ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), refers to the circular dated 25 February 2022 (the "**Circular**") despatched electronically to unitholders of ESR-REIT ("**ESR-REIT Unitholders**") in relation to the proposed merger (the "**Merger**") of ESR-REIT and ARA LOGOS Logistics Trust ("**ALOG**"), to 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 held by the unitholders of ALOG ("**ALOG Unitholders**"), in exchange for a combination of cash and units in ESR-REIT, by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers. Unless otherwise defined herein, all capitalised terms in this announcement (this "**Announcement**") shall have the same meanings given to them in the Circular.

In connection with the Merger and the Scheme, the ESR-REIT Trustee and ESR-LOGOS REIT AUS (MTN) Pty Ltd (the "**AU Borrower**") (a wholly-owned subsidiary of ESR-REIT) (the "**Borrowers**") have today entered into a S\$835 million and A\$365 million unsecured loan facilities agreement (the "**Facilities Agreement**") with (a) DBS Bank Ltd., DBS Bank Ltd., Australia Branch, Malayan Banking Berhad, Singapore Branch, Sumitomo Mitsui Banking Corporation Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and Australia and New Zealand Banking Group Limited, as mandated lead arrangers and bookrunners, (b) DBS Bank Ltd., DBS Bank Ltd., Australia Branch, Malayan Banking Berhad, Singapore Branch, Sumitomo Mitsui Banking Corporation Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and Australia and New Zealand Banking Group Limited, as original lenders and (c) DBS Bank Ltd., as facility agent.

The unsecured loan facilities consist of S\$835 million and A\$365 million term and revolving loan facilities (the "**Facilities**"). The proceeds of the Facilities will be applied by the Borrowers towards the following purposes:

- (a) in relation to the S\$835 million term and revolving loan facilities:
  - (i) the financing of the Cash Consideration payable to the ALOG Unitholders under the Scheme;

- (ii) the refinancing in full of the indebtedness under the existing loan facilities granted to ALOG (acting through the ALOG Trustee) (the "**Existing Target Indebtedness**");
  - (iii) the payment of costs, fees and expenses (including taxes) incurred in connection with the Scheme and the financing contemplated in connection with the Scheme and the Existing Target Indebtedness; and
  - (iv) general working capital purposes of the ESR-REIT Trustee; and
- (b) in relation to the A\$365 million term and revolving loan facilities:
- (i) the refinancing in full of the Existing Target Indebtedness;
  - (ii) the payment of costs, fees and expenses (including taxes) incurred in connection with the Scheme and the financing contemplated in connection with the Scheme and the Existing Target Indebtedness; and
  - (iii) general working capital purposes of the AU Borrower.

## 2. **KEY TERMS OF THE FACILITIES AGREEMENT**

Key terms of the Facilities Agreement are as follows:

<b>Original Lenders</b>	<ul style="list-style-type: none"> <li>(a) DBS Bank Ltd.</li> <li>(b) DBS Bank Ltd., Australia Branch</li> <li>(c) Malayan Banking Berhad, Singapore Branch</li> <li>(d) Sumitomo Mitsui Banking Corporation Singapore Branch</li> <li>(e) The Hongkong and Shanghai Banking Corporation Limited</li> <li>(f) Oversea-Chinese Banking Corporation Limited</li> <li>(g) Australia and New Zealand Banking Group Limited</li> </ul>
<b>Loan Commitments</b>	<p>Term Loan Facility (Facility A): S\$185 million</p> <p>Term Loan Facility (Facility B): S\$200 million</p> <p>Term Loan Facility (Facility C): S\$200 million</p> <p>Revolving Loan Facility (Facility D): S\$250 million</p> <p>Term Loan Facility (Facility E): A\$350 million</p> <p>Revolving Loan Facility (Facility F): A\$15 million</p>
<b>Final Maturity Date</b>	Term Loan Facility (Facility A): the date falling 36 months after the first Utilisation Date (as defined in the Facilities Agreement)

	<p>Term Loan Facility (Facility B): the date falling 48 months after the first Utilisation Date</p> <p>Term Loan Facility (Facility C): the date falling 60 months after the first Utilisation Date</p> <p>Revolving Loan Facility (Facility D): the date falling 24 months after the first Utilisation Date</p> <p>Term Loan Facility (Facility E): the date falling 60 months after the first Utilisation Date</p> <p>Revolving Loan Facility (Facility F): the date falling 60 months after the first Utilisation Date</p>
<b>Security</b>	None
<b>Details of the conditions that refer to the shareholding interest of the Manager's controlling shareholder or which place restrictions on any change in control of the Manager</b>	<p>The Facility Agent (acting on the instructions of the Majority Lenders (as defined in the Facilities Agreement) in their absolute discretion) has the right to require the Borrowers to enter into discussions in good faith for a stipulated time with the Finance Parties (as defined in the Facilities Agreement) to review the terms of the Facilities Agreement, upon the occurrence of the following:</p> <p>(a) the Manager resigns or is removed as the manager of ESR-REIT without the prior written consent of the Majority Lenders and a replacement manager which is acceptable to the Majority Lenders is not appointed in accordance with the terms of the trust deed of ESR-REIT by the effective date of the resignation or removal of the Manager; and/or</p> <p>(b) ESR Cayman Limited ceases to hold, whether directly or indirectly, at least 50.1% of the issued share capital of the Manager without the prior written consent of the Majority Lenders.</p> <p>If (i) the Facility Agent (acting on the instructions of the Majority Lenders) rejects the proposal submitted by the Borrowers to the Facility Agent further to the discussions within a stipulated response period; or (ii) the Borrowers have not submitted any proposal within the stipulated time for the discussions, the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrowers, cancel the Total Commitments (as defined in the Facilities Agreement) and/or require the Borrowers to repay or prepay all amounts accrued and outstanding under the Finance Documents (as defined in the Facilities Agreement) immediately (or, if later, on the Review Expiry Date (as defined in the Facilities Agreement) (or such later date as the Majority Lenders may agree)).</p>

	<p>If the Majority Lenders (in their absolute discretion) are agreeable to the proposal submitted by the Borrowers and the Borrowers fail to carry out the steps and/or proposed alternative arrangement set out in such proposal by the time period within which such proposed alternative arrangement is to be carried out to the satisfaction of the Majority Lenders, the Total Commitments shall immediately be cancelled and the Borrowers shall repay or prepay all amounts accrued and outstanding under the Finance Documents within 15 days from the date on which the Total Commitments are cancelled.</p> <p>The aggregate principal amount of loan facilities under the Facilities Agreement that may be affected in the event of a breach of the conditions set out above is up to the aggregate of S\$835 million and A\$365 million.<sup>1</sup></p>
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**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 April 2022

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

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Tel: +65 6657 1959

**Maybank Securities Pte. Ltd.**

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

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<sup>1</sup> It should be noted that the terms and conditions of typical facility agreements may contain cross default clauses, pursuant to which a default of obligations by a Borrower in the Facilities Agreement may trigger an event of default in other facility agreements. The aggregate level of facilities affected in the event of a breach of conditions in the above table does not take into account facilities which may be affected due to the triggering of such cross default provisions in such other facility agreements.

## 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 billion<sup>2</sup>. 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 ESR-REIT Manager's objective is to provide ESR-REIT 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.

The ESR-REIT Manager is owned by namely, ESR Group ("**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](http://www.esr-reit.com.sg).

## 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\$140.2 billion in total 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](http://www.esr.com).

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<sup>2</sup> 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.

## 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.