



(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**

**ESR-REIT CLEAN-UP DISTRIBUTION AND ISSUE PRICE OF ESR-REIT UNITS
PURSUANT TO THE ESR-REIT DISTRIBUTION REINVESTMENT PLAN**

1. INTRODUCTION

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

- (a) 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;
- (b) the scheme document dated 25 February 2022 (the "**Scheme Document**") issued by ARA LOGOS Logistics Trust Management Limited, as manager of ALOG (the "**ALOG Manager**"), to the ALOG Unitholders in relation to the Merger and the Scheme, including the letter dated 25 February 2022 from the ESR-REIT Manager to the ALOG Unitholders set out in Appendix C to the Scheme Document;
- (c) the announcement dated 12 April 2022 issued by the ESR-REIT Manager in relation to the notice of the conditional Record Date in order to determine the entitlements of the ESR-REIT Unitholders to the ESR-REIT Permitted Distributions in respect of the period from 1 January 2022 up to the day immediately before the Effective Date (the "**ESR-REIT Clean-up Distribution**"); and
- (d) the announcement issued by the ESR-REIT Manager on 22 April 2022 in relation to, among others, the Effective Date of the Scheme.

Unless otherwise defined herein, all capitalised terms in this announcement (this "**Announcement**") shall have the same meanings given to them in the Circular.

2. **ESR-REIT CLEAN-UP DISTRIBUTION**

The ESR-REIT Manager wishes to announce the ESR-REIT Clean-up Distribution of 0.910 cents per ESR-REIT Unit for the period from 1 January 2022 up to the day immediately before the Effective Date, comprising the following components:

Taxable income distribution	0.805 cents per unit
Tax-exempt income distribution	0.099 cents per unit
Capital distribution	0.006 cents per unit

ESR-REIT Unitholders whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with ESR-REIT Units as at 5.00 p.m. on 21 April 2022 will be entitled to the ESR-REIT Clean-up Distribution that will be paid on or around **23 June 2022**.

The ESR-REIT Manager hereby confirms that, after making payment of the ESR-REIT Clean-up Distribution, ESR-REIT has sufficient financial resources to fulfil its liabilities as and when they fall due.

3. **ESR-REIT DISTRIBUTION REINVESTMENT PLAN ISSUE PRICE**

The ESR-REIT Manager wishes to announce that the issue price of the ESR-REIT Units pursuant to the application of the ESR-REIT Distribution Reinvestment Plan ("**DRP**") to the ESR-REIT Clean-up Distribution ("**DRP Units**") is S\$0.4085 per DRP Unit.

The issue price of S\$0.4085 per DRP Unit represents a discount of 2.0% to the volume-weighted average traded price per ESR-REIT Unit for all trades done on the Singapore Exchange Securities Trading Limited from 20 April 2022 to 21 April 2022 (both dates inclusive).

4. **DECLARATION FOR SINGAPORE TAX PURPOSES**

A. Capital distribution

The capital component of the ESR-REIT Clean-up Distribution represents a return of capital to ESR-REIT Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For ESR-REIT Unitholders holding ESR-REIT Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their ESR-REIT Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of their ESR-REIT Units.

B. Tax-exempt income distribution

The tax-exempt income component of the ESR-REIT Clean-up Distribution is exempt from tax in the hands of all ESR-REIT Unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted at source for this component.

C. Taxable income distribution

Tax will be deducted at source from the taxable income distribution in certain circumstances. The following section describes the circumstances in which tax will or will not be deducted from such distributions.

1. The ESR-REIT Trustee and the ESR-REIT Manager will not deduct tax from distributions made out of ESR-REIT's taxable income that is not taxed at the trustee level of ESR-REIT to:
 - (a) ESR-REIT Unitholders who are individuals and who hold the units either in their sole names or jointly with other individuals;
 - (b) ESR-REIT Unitholders who are Central Provident Fund ("**CPF**") members who use their CPF funds under the CPF Investment Scheme and where the distributions received are returned to their CPF accounts;
 - (c) ESR-REIT Unitholders who are individuals and use their Supplementary Retirement Scheme ("**SRS**") funds and where the distributions received are returned to their SRS accounts;
 - (d) ESR-REIT Unitholders which are companies incorporated and tax resident in Singapore;
 - (e) ESR-REIT Unitholders which are Singapore branches of companies incorporated outside Singapore;
 - (f) ESR-REIT Unitholders which are body of persons (excluding companies or partnerships) incorporated or registered in Singapore, such as:
 - (i) statutory boards;
 - (ii) co-operative societies registered under the Co-operative Societies Act 1979 of Singapore;
 - (iii) trade unions registered under the Trade Unions Act 1940 of Singapore;
 - (iv) charities registered under the Charities Act 1994 of Singapore or established by any written law; and
 - (v) town councils;
 - (g) ESR-REIT Unitholders which are international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948 of Singapore; and

- (h) ESR-REIT Unitholders which are real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment.
2. For distributions made to ESR-REIT Unitholders who do not fall within the categories stated under Note 1 above, the ESR-REIT Trustee and the ESR-REIT Manager will deduct tax at the rate of 10% if the ESR-REIT Unitholders are:
- (a) foreign non-individual investors – for distributions made during the period from 18 February 2005 to 31 December 2025; or
 - (b) foreign funds – for distributions made during the period from 1 July 2019 to 31 December 2025.

A foreign non-individual investor is one which is not a resident of Singapore* for income tax purposes and:

- (i) which does not have a permanent establishment[^] in Singapore; or
- (ii) which carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the units in ESR-REIT are not obtained from that operation.

A foreign fund is one that qualifies for tax exemption under section 13CA, 13X or 13Y of the Income Tax Act 1947 of Singapore ("**Income Tax Act**") that is not a resident of Singapore* for income tax purposes and:

- (i) which does not have a permanent establishment[^] in Singapore (other than a fund manager in Singapore); or
- (ii) which carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the units in ESR-REIT are not obtained from that operation.

3. ESR-REIT Unitholders are required to complete the applicable Section A, B or C of the "Declaration for Singapore Tax Purposes Form A" ("**Form A**") if they fall within the categories (d) to (h) stated under Note 1, Section D of Form A if they qualify as a foreign non-individual investor as described under Note 2, or Section E of Form A if they qualify as a foreign fund as described under Note 2.
4. The ESR-REIT Trustee and the ESR-REIT Manager will rely on the declarations made in Form A to determine (i) if tax is to be deducted for the categories of ESR-REIT Unitholders listed in (d) to (h) under Note 1; and (ii) if tax is to be deducted at the rate of 10% for distributions to foreign non-individual investors and foreign funds as described under Note 2.

5. ESR-REIT Unitholders who fall within categories (a) to (c) under Note 1 are not required to submit Form A. The gross distribution received by these ESR-REIT Unitholders (irrespective of their tax residence status) is exempt from tax. However, this tax exemption does not apply to such ESR-REIT Unitholders in respect of distributions derived by them through a partnership in Singapore or from the carrying on of a trade, business or profession. Such ESR-REIT Unitholders, i.e., to whom the exemption does not apply, must declare the distribution received as income in their income tax returns.
6. ESR-REIT Unitholders who do not fall within the categories of ESR-REIT Unitholders listed in Note 1 and Note 2 above can choose not to return Form A as tax will be deducted from the distributions made to them at the prevailing corporate tax rate in any case.
7. The ESR-REIT Trustee and the ESR-REIT Manager will deduct tax at the prevailing corporate tax rate from distributions made out of ESR-REIT's taxable income that is not taxed at the trustee level of ESR-REIT, in respect of units held by depository agents except where the beneficial owners of these units are:
 - (a) individuals and the units are not held through a partnership in Singapore;
 - (b) qualifying unitholders as listed in categories (d) to (h) under Note 1;
 - (c) foreign non-individual investors; or
 - (d) foreign funds.

For units held through the depository agents, the depository agents must complete the "Declaration by Depository Agents for Singapore Tax Purposes Form B" ("**Form B**") and its annexes.

8. Form A and Form B (and its annexes) will be sent to ESR-REIT Unitholders and depository agents respectively, by ESR-REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., on or around **9 May 2022**.
9. ESR-REIT Unitholders (Form A) and depository agents (Form B and its annexes) will have to complete the forms legibly and send it to the Unit Registrar such that it is received by **5.00 p.m. on 26 May 2022**. The ESR-REIT Trustee and the ESR-REIT Manager will rely on the declarations made in Form A and Form B to determine if tax is to be deducted. Failure to comply with any of these requirements will render Form A and Form B invalid and the ESR-REIT Trustee and the ESR-REIT Manager will be obliged to deduct the appropriate amount of tax from the ESR-REIT Clean-up Distribution.
10. ESR-REIT Unitholders who hold ESR-REIT Units under the Central Provident Fund Investment Scheme ("**CPFIS**") and the Supplementary Retirement Scheme ("**SRS**") do not have to return the Form as they will receive gross distributions paid to their respective CPFIS and SRS accounts.

IMPORTANT REMINDER

ESR-REIT Unitholders and depository agents must complete and return the "Declaration for Singapore Tax Purposes Form A and Form B (and its annexes)" to Boardroom Corporate & Advisory Services Pte. Ltd.'s office by 5.00 p.m. on 26 May 2022 in order to receive the ESR-REIT Clean-up Distribution either at gross or at net as described above.

5. DECLARATION IN INCOME TAX RETURN

The ESR-REIT Clean-up Distribution is considered as income for the year 2022. Beneficial owners of the ESR-REIT Clean-up Distribution, other than those who are exempt from tax on the ESR-REIT Clean-up Distribution, are required to declare the taxable income component of the ESR-REIT Clean-up Distribution as taxable income in their income tax return for the Year of Assessment 2023.

6. IMPORTANT DATES AND TIMES

Timeline	Event
21 April 2022 (Thursday) at 5.00 p.m.	Record Date to determine entitlements of the ESR-REIT Unitholders to the ESR-REIT Clean-up Distribution
9 May 2022 (Monday)	Despatch of Notice of Election and Tax Declaration Form to ESR-REIT Unitholders
26 May 2022 (Thursday) at 5.00 p.m.	ESR-REIT Unitholders and depository agents must have completed and returned the Notice of Election and Tax Declaration Form to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd.
23 June 2022 (Thursday)	Payment of the ESR-REIT Clean-up Distribution / Crediting and listing of the DRP Units

7. 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.

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

27 April 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

Forward-Looking Statements

All statements other than statements of historical facts included in this 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 current view of future events, and the ESR-REIT Manager does not undertake any obligation to update publicly or revise any forward-looking statements.

Notes:

- * A company is not a resident of Singapore if the management and control of its business is exercised outside Singapore.

- ^ Under the Income Tax Act, permanent establishment means a fixed place where business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. An ESR-REIT Unitholder shall be deemed to have a permanent establishment in Singapore if it:
 - (i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
 - (ii) has another person acting on the ESR-REIT Unitholder's behalf in Singapore who:
 - (a) has and habitually exercises an authority to conclude contracts;
 - (b) maintains stock of goods or merchandise for the purpose of delivery on its behalf; or
 - (c) habitually secures orders wholly and almost wholly for the ESR-REIT Unitholder or for such other enterprises as are controlled by the ESR-REIT Unitholder.

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 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, the 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.

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.

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.

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.