



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

THE PROPOSED ACQUISITION OF 100.0% TRUST BENEFICIARY INTEREST IN ESR SAKURA DISTRIBUTION CENTRE WHICH IS LOCATED AT SAKURA CITY, CHIBA PREFECTURE, JAPAN

1. INTRODUCTION

1.1 Acquisition

ESR-LOGOS Funds Management (S) Limited, in its capacity as manager of ESR-LOGOS REIT (the “**Manager**”), is pleased to announce that ESR-LOGOS REIT TMK1 (“**ESR TMK**”), a Japan *tokutei mokuteki kaisha* (“**TMK**”) which is indirectly wholly-owned by ESR-LOGOS REIT (“**E-LOG**”) has entered into a sale and purchase agreement (the “**Japan Sale and Purchase Agreement**”) with ESR 34 GK (the “**Sponsor Vendor**”) to acquire 100% of the trust beneficiary interest in the logistics property known as ESR Sakura Distribution Centre located at 2464-11 and others, Ota, Sakura-shi, Chiba-ken (“**ESR Sakura DC**”, and the acquisition, the “**Japan Acquisition**”), for a purchase consideration of approximately S\$183.5 million (JPY 17,800 million) including rental support (as defined herein).

1.2 Interested Person Transaction

The Japan Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of unitholders of E-LOG (“**Unitholders**”) is required.

A circular (the “**Circular**”) will be issued to the Unitholders in due course, together with a notice of extraordinary general meeting (“**EGM**”), for the purpose of seeking the approval of Unitholders for the Japan Acquisition.

2. INFORMATION ON ESR SAKURA DC

ESR Sakura DC comprises a five-storey logistics property in Sakura City, Chiba Prefecture in Tokyo, with a total land area of 41,658.2 sqm, an overall occupancy rate of 75.0% and a weighted average lease expiry (“**WALE**”) of 2.9 years as at 30 June 2022. ESR Sakura DC is freehold and was completed in 2015. As such, the age of the asset is less than 10 years old.

Selected information on ESR Sakura DC is set out in the table below.

	ESR Sakura DC
Asset Type	Distribution Centre
Japan Purchase Consideration⁽¹⁾	approximately S\$183.5 million ⁽²⁾ (JPY 17,800 million)
Location	2464-11 and others, Ota, Sakura-shi, Chiba-ken
Land Area (sqm)	41,658.2
Net Lettable Area ("NLA") (sqm)	81,507.4
Land Tenure	Freehold
Weighted Average Lease Expiry (years)	2.9
First year Net Property Income ("NPI")⁽³⁾	JPY 790.0 million
Occupancy Rate⁽⁴⁾	75.0%
Number of Tenants	4

Notes:

- (1) Based on illustrative exchange rate of JPY 97.00 = S\$1.00.
- (2) The Japan Purchase Consideration represents the higher of the purchase price payable, as compared to the purchase price in respect of the Fund SPA, in consideration of the provision of rental support (as defined herein) by the Sponsor Vendor in relation to the Japan Sale and Purchase Agreement.
- (3) Including Rental Support (as defined herein).
- (4) Occupancy rate as at 30 June 2022.

3. DETAILS OF THE JAPAN ACQUISITION

3.1 Valuation and Purchase Consideration

Pursuant to the Japan Sale and Purchase Agreement dated 29 August 2022, E-LOG, through its wholly-owned TMK, ESR TMK, will acquire ESR Sakura DC through the acquisition of 100% of the trust beneficiary interest in ESR Sakura DC.

The purchase consideration payable for the Japan Acquisition ("**Japan Purchase Consideration**") is approximately S\$183.5 million (JPY 17,800 million), and was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of ESR Sakura DC.

RBC Investor Services Trust Singapore Limited, as trustee of E-LOG (the "**Trustee**")¹, has commissioned an independent valuer, CBRE K.K. ("**CBRE**"), and the Manager has

¹ As at the date of this announcement, the trustee of E-LOG is RBC Investor Services Trust Singapore Limited. However, the Manager has on 14 April 2022 entered into a deed of retirement and appointment of Trustee (the "**Supplemental Deed**") with RBC Investor Services Trust Singapore Limited (in its capacity as retiring trustee of E-LOG) and Perpetual (Asia) Limited (in its capacity as new trustee of E-LOG). Perpetual (Asia) Limited will be appointed by the Manager as Trustee of E-LOG with effect from the date on which the Conditions Precedent (as defined in the Supplemental Deed) are confirmed by the Manager to be fulfilled or such other date as the parties to the Supplemental Deed may agree in writing.

commissioned an independent valuer, Colliers International Japan KK (“**Colliers**” and together with CBRE, the “**Japan Independent Valuers**”) to value ESR Sakura DC. The valuations of ESR Sakura DC as at 30 June 2022 are set out below.

	CBRE	Colliers
With the Rental Support (as defined herein)	JPY 18,000 million (approximately S\$185.6 million)	JPY 18,030 million (approximately S\$185.9 million)
Without the Rental Support	JPY 17,800 million (approximately S\$183.5 million)	JPY 17,730 million (approximately S\$182.8 million)

In arriving at the market value of ESR Sakura DC, the Japan Independent Valuers relied on the capitalisation approach, discounted cash flow analysis methods and cost approach.

3.2 Estimated Total Acquisition Outlay

The estimated total acquisition outlay for the Japan Acquisition (the “**Total Acquisition Outlay**”) is approximately S\$187.0 million, comprising:

- (i) the Japan Purchase Consideration of approximately S\$183.5 million (JPY 17,800 million);
- (ii) the acquisition fee (“**Acquisition Fee**”) of approximately S\$1.8 million payable in units in E-LOG (“**Units**”) to the Manager²; and
- (iii) other costs including stamp duty, the estimated professional and other fees and expenses³ of approximately S\$1.7 million incurred or to be incurred by E-LOG in connection with the Japan Acquisition.

3.3 Structure of the Japan Acquisition and Sponsor Support

On 29 August 2022, ESR TMK, a Japan TMK, which is indirectly wholly-owned by E-LOG, entered into the Japan Sale and Purchase Agreement with the Sponsor Vendor to acquire 100% of the trust beneficiary interest⁴ in ESR Sakura DC, for a purchase consideration of approximately S\$183.5 million (JPY 17,800 million) including rental support (as set out in paragraph 3.5 of this announcement).

The Sponsor Vendor had also on 29 August 2022 entered into a separate sale and purchase agreement (the “**Fund SPA**”) with RW Sakura TMK (the “**Fund Vendor**”), which currently holds 100% of the trust beneficiary interest in ESR Sakura DC, to acquire such interest from the Fund Vendor for a purchase consideration of approximately S\$179.9 million (JPY 17,450

² As the Japan Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the acquisition fee shall be payable in Units which shall not be sold one year from the date of issuance in accordance with the Property Funds Appendix.

³ Such fees and expenses include due diligence costs and acquisition costs such as legal expenses and other professional costs.

⁴ Real estate may be held in the form of a trust beneficiary interest by entrusting the real estate to a trust. Trust Beneficiary Interest is issued by a trust bank licensed in Japan. This is a common ownership structure for foreign asset ownership in Japan to optimise certain transaction taxes, such as real estate acquisition or registration tax.

million) without rental support. Thereafter, subject to Unitholders approving the Japan Acquisition at the EGM, the Sponsor Vendor will sell 100% of the trust beneficiary interest in ESR Sakura DC to ESR TMK pursuant to the terms of the Japan Sale and Purchase Agreement.

The Fund Vendor is indirectly held by a fund, and the investors in the fund are third party investors (effective stake of 85.7%) and ESR Group Limited (the “**Sponsor**”), which holds a minority stake of 14.3% in ESR Sakura DC (the third party investors and together with the Sponsor, the “**Investors**”).

In order to secure this transaction for E-LOG, which is attractive for E-LOG due to the merits of the transaction as set out in paragraph 4 of this announcement, the Sponsor is providing the following support to allow E-LOG to secure the transaction and to mitigate the short-term leasing risks to E-LOG (the “**Sponsor Support**”), and accordingly, the Japan Acquisition is structured via two separate sale and purchase agreements⁵:

(a) Sponsor to backstop E-LOG’s risk of forfeiting the Deposit

it is a condition of the willingness of the Fund Vendor to sell ESR Sakura DC that a deposit of JPY 872.5 million (approximately S\$9.0 million) (the “**Deposit**”) is payable upon signing of the sale and purchase agreement and such Deposit will not be refundable after 31 August 2022⁶. As E-LOG would not be able to convene an EGM to obtain Unitholder’s approval for the Japan Acquisition prior to 31 August 2022, the Deposit would be forfeited if Unitholders do not approve proceeding with the Japan Acquisition. As such, while E-LOG is able to sign a sale and purchase agreement directly with the Fund Vendor, the Deposit which is payable upon signing of such a sale and purchase agreement will become non-refundable on 31 August 2022. The Sponsor Vendor, as a show of support to E-LOG to allow E-LOG to secure the transaction, has therefore agreed to enter into the Fund SPA to backstop E-LOG’s risks of having the Deposit forfeited in the event Unitholders do not approve proceeding with the Japan Acquisition. The Japan Sale and Purchase Agreement provides for the refund of the Deposit from the Sponsor Vendor to ESR TMK (subject to the condition as set out in paragraph 3.4(i) below); and

(b) Sponsor to provide 12 months of rental support to mitigate leasing risks

the Sponsor Vendor has agreed to provide E-LOG with a rental support which the Fund Vendor would not be providing, in relation to the vacant space comprising approximately 25% of the NLA. The rental support provided is for a period of 12 months from the completion date in respect of the vacant space to mitigate its leasing risks. The 12 months of rental support for the vacant space amounting to JPY 236.5 million (approximately S\$2.4 million) (the “**Rental Support**”) is (i) based on market rent and (ii) in line with the current rates being charged for the rest of the tenanted spaces in ESR Sakura DC. Each of the Japan Independent Valuers is of the opinion that the Rental Support is in line with market rental rates. In addition,

5 The two sale and purchase agreements being, (1) the Fund SPA between the Sponsor Vendor (as buyer) and the Fund Vendor (as seller) which currently owns ESR Sakura DC and (2) the Japan Sale and Purchase Agreement between ESR TMK (as buyer) and the Sponsor Vendor (as seller)).

6 For the avoidance of doubt, 31 August 2022 is **NOT** the long stop date for completion of the Japan Acquisition. The long stop date for the completion of the Japan Acquisition is 31 October 2022.

the Rental Support will also be used to cover any rent free period(s) provided to new tenant(s) for securing new lease(s). In connection with the provision of the Rental Support which the Fund Vendor is not agreeable to provide, the Sponsor Vendor will enter into the Fund SPA with the Fund Vendor to acquire ESR Sakura DC (at the purchase price of JPY 17,450 million without rental support) and on-sell ESR Sakura DC to E-LOG at JPY 17,800 million with 12 months of Rental Support pursuant to the terms of the Japan Sale and Purchase Agreement. The Japan Purchase Consideration of JPY 17,800 million is below the two independent valuations conducted by CBRE and Colliers at JPY 18,000 million and JPY 18,030 million respectively, taking into account the 12 months of Rental Support and current market conditions.

The Sponsor Support in relation to the Japan Acquisition further demonstrates the alignment of interests of the Sponsor with that of Unitholders in supporting E-LOG's growth by providing certainty of transaction and mitigating risks for E-LOG. The Investors were initially offered the purchase price of JPY 17,800 million with the condition of providing Rental Support and waiving the non-refundable deposit date of 31 August 2022. However, there was no unanimous approval obtained from the Investors in relation to such offer, hence the Sponsor Support is required.

The trustee of ESR Sakura DC is Mitsubishi UFJ Trust and Banking Corporation (the "ESR Sakura Trustee") pursuant to the Trust Property Management and Disposition Trust Agreement (*fudousan kanri shobun shintaku keiyakusho*) dated 14 November 2018 entered into by the Fund Vendor and the ESR Sakura Trustee as may be amended.

The Manager understands that the Fund Vendor is selling ESR Sakura DC due to the Investors' capital recycling policy.

Sponsor Support demonstrates alignment of interest with Unitholders in supporting E-LOG's growth by providing transaction certainty and mitigating risks for E-LOG

i Sponsor to backstop E-LOG's risk of forfeiting the deposit

- A key condition of the willingness of the Fund Vendor to sell ESR Sakura DC that a **deposit of JPY 872.5 million (approximately S\$9.0 million)** (the "Deposit") is payable upon signing of the sale and purchase agreement and such Deposit will not be refundable after 31 August 2022⁽¹⁾
- As E-LOG would not be able to convene an EGM to obtain Unitholder's approval for the Japan Acquisition prior to 31 August 2022, the Deposit would be forfeited if Unitholders do not approve proceeding with the Japan Acquisition
- To backstop E-LOG's risks of having the Deposit forfeited, the Sponsor Vendor, as a show of support to E-LOG to allow E-LOG to secure the transaction, has therefore agreed to enter into the Fund SPA and on-sell the asset to E-LOG via the Japan Sale and Purchase Agreement (which provides for the refund of the Deposit from the Sponsor Vendor to E-LOG⁽²⁾ in the event Unitholders do not approve proceeding with the Japan Acquisition)

ii Sponsor to provide 12 months of Rental Support to mitigate leasing risks

- The Sponsor Vendor has agreed to provide E-LOG with a rental support for the vacant space (25% of NLA) which the Fund Vendor would not be providing
- The 12 months of rental support for the vacant space amounting to JPY 236.5 million (approximately S\$2.4 million) (the "Rental Support") is (i) based on market rent and (ii) in line with the current rates being charged for the rest of the tenanted spaces in ESR Sakura DC
- Each of the Japan Independent Valuers is of the opinion that the Rental Support is in line with market rental rates
- The Rental Support will also be used to cover any rent free period(s) provided to new tenant(s) for securing new lease(s)

The Sponsor Vendor will acquire ESR Sakura DC (at the purchase price of JPY17,450 million without rental support) from the Fund Vendor and on-sell the asset to E-LOG at JPY17,800 million⁽³⁾ with 12 months of Rental Support

Note:

- (1) For the avoidance of doubt, 31 August 2022 is **NOT** the long stop date for completion of the Japan Acquisition. The long stop date for the completion of the Japan Acquisition is 31 October 2022.
- (2) Subject to the Sponsor Vendor selling 100% of the trust beneficiary interest in ESR Sakura DC.
- (3) The Japan Purchase Consideration of JPY 17,800 million is below the two independent valuations

conducted by CBRE and Colliers at JPY 18,000 million and JPY 18,030 million respectively, taking into account the 12 months of Rental Support and current market conditions. The Investors were initially offered the purchase price of JPY 17,800 million with the condition of providing Rental Support and waiving the non-refundable deposit date of 31 August 2022. However, there was no unanimous approval obtained from the Investors in relation to such offer, hence the Sponsor Support is required.

3.4 Principal Terms of the Japan Sale and Purchase Agreement in relation to ESR Sakura DC

The principal terms of the Japan Sale and Purchase Agreement include, among others, the following:

- (i) a deposit of approximately S\$9.0 million is paid to the Sponsor Vendor (which is refundable in the event that the Japan Acquisition is not completed provided that the Sponsor Vendor is able to sell 100% of the trust beneficiary interest in ESR Sakura DC to any person other than ESR TMK (whether the purchaser is a related party or third party)⁷; and
- (ii) the Japan Sale and Purchase Agreement is subject to conditions precedent including but not limited to:
 - (a) all of the conditions precedent and the obligations in the Fund SPA having been fulfilled by both the Sponsor Vendor and the Fund Vendor; and
 - (b) E-LOG having obtained the approval of the Unitholders for the Japan Acquisition.

3.5 Rental Support for ESR Sakura DC

Rental Support reduces potential leasing risks of the current vacant areas and provides income stability

Details of the Rental Support Structure

Total Rental Support Amount	<ul style="list-style-type: none"> ▪ JPY 236.5 million (approximately S\$2.4 million)
Rental Support Period	<ul style="list-style-type: none"> ▪ 12 months commencing after the Date of Completion
Rental Support Amount	<ul style="list-style-type: none"> ▪ JPY3,200 per tsubo per month
Safeguards	<ul style="list-style-type: none"> ▪ E-LOG will retain the Total Rental Support Amount from the purchase consideration ▪ Any amount not utilized will be released to the Sponsor Vendor after the Rental Support period

Rationale

- ✓ Provide **rental support** to E-LOG for a period of **12 months** from the completion date in respect of the vacant space to **mitigate leasing risks** as time is required to secure and negotiate lease for the vacant space
- ✓ The 12 months of rental support for the vacant space (c.25% of NLA) is **(i) based on market rent and (ii) is in line with the current rates being charged for the rest of the tenanted spaces in ESR Sakura DC**
- ✓ Rental support will also be used to **cover any rent free period(s)** provided to new tenant(s) for securing new lease(s)
- ✓ Each of the Japan Independent Valuers is of the opinion that the Rental Support is in line with market rental rates
- ✓ **Provides income stability for Unitholders and mitigates potential leasing risks**

⁷ In the event that the Japan Acquisition is not completed, the deposit will **only** be refunded at the time when the Sponsor Vendor is able to sell 100% of the trust beneficiary interest in ESR Sakura DC.

3.5.1 Terms of the Rental Support

Pursuant to the Japan Sale and Purchase Agreement, in respect of ESR Sakura DC, the Sponsor Vendor shall provide Rental Support to cover the rental for the remaining vacancy, which comprises approximately 25% of the NLA in ESR Sakura DC, at completion of the Japan Acquisition, to reduce potential leasing risks and provide income stability.

The Rental Support is for the period of 12 months commencing after the date of completion of the Japan Acquisition (“**Rental Support Period**”) at a rate of JPY 3,200 per tsubo per month (the “**Rental Support Amount**”) calculated based on the vacant areas of the property during the Rental Support Period. The Rental Support is (i) based on market rent and (ii) in line with the current rates being charged for the rest of the tenanted spaces in ESR Sakura DC. The total rental support amount amounts to approximately S\$2.4 million (JPY 236.5 million) (the “**Total Rental Support Amount**”). To the extent that new tenants are secured in relation to the vacant space, the amount of Rental Support paid will be reduced correspondingly, and any such amounts not utilised will be returned to the Sponsor Vendor.

3.5.2 Safeguards

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

3.5.3 Japan Independent Valuers’ Opinion

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

3.5.4 Independent Directors’ Opinion

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

3.6 Property Manager and Asset Manager in respect of ESR Sakura DC

Upon completion of the Japan Acquisition, ESR Ltd. (“**ESR Japan**”), which is a wholly-owned subsidiary of the Sponsor, will provide property management services (including lease management) and asset management services in relation to ESR Sakura DC pursuant to a property management agreement to be entered into with ESR Japan and an asset management agreement to be entered into with ESR Japan.

As ESR Japan is a wholly-owned subsidiary of the Sponsor (being a “controlling shareholder” of the Manager), ESR Japan (being wholly-owned subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of E-LOG.

Accordingly, the entry into the property management agreement and the asset management agreement with ESR Japan will constitute an interested person transaction under the Listing Manual. For the avoidance of doubt, the approval of the Unitholders is not being sought in respect of the property management agreement and the asset management agreement in relation to ESR Sakura DC, as the value of the property management agreement and the asset management agreement is less than 3.0% of the latest audited net asset value (“NAV”) and net tangible asset (“NTA”) of E-LOG. Therefore, the entry into the property management agreement and the asset management agreement would not be approved when Unitholders approve the Resolution, and such value of the property management agreement and the asset management agreement would be aggregated with all other interested person transactions for the current financial year.

4. RATIONALE FOR AND KEY BENEFITS OF THE JAPAN ACQUISITION

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

4.1 Transaction is DPU accretive to Unitholders

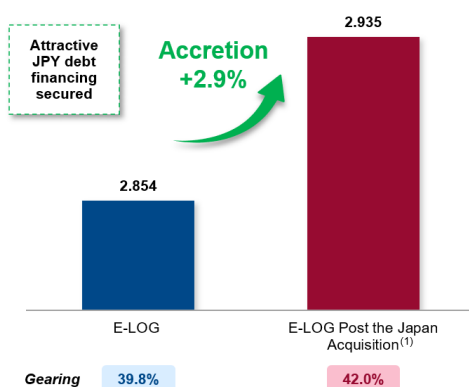
The Japan Acquisition is expected to be distribution per Unit (“DPU”) accretive to Unitholders on a pro forma basis assuming the Japan Acquisition was completed on 1 January 2021.

Transaction expected to be DPU accretive to Unitholders, with funding already secured

Scenario A: DPU (100% Debt Funded)

(Singapore Cents)

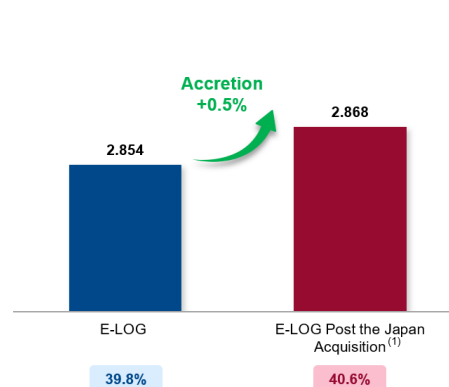
FOR ILLUSTRATIVE PURPOSES ONLY NOT A FORWARD-LOOKING PROJECTION



Scenario B: DPU (60% Debt / 40% Equity Funded)

(Singapore Cents)

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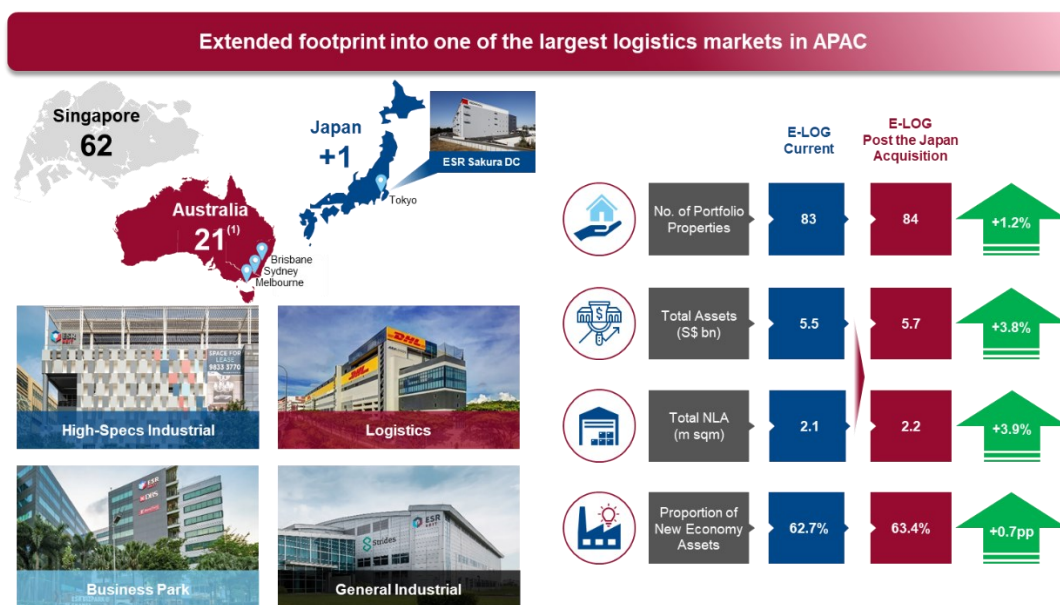


Note:

(1) The pro forma financial effects of the Japan Acquisition on the amount available for distribution to Unitholders, the number of Units and E-LOG’s DPU, and the accretion thereof, for FY2021, assuming that the Japan Acquisition had been completed on 1 January 2021 and that E-LOG had held and operated ESR Sakura DC through to 31 December 2021, and assuming that, among other bases and assumptions stated below, the Merger, E-LOG PERP Issuance and Divestments were completed on 1 January 2021.

The strategic acquisition of ESR Sakura DC is in line with E-LOG’s long-term portfolio reconstitution strategy, to establish E-LOG as a leading APAC New Economy REIT. The

proposed Japan Acquisition provides E-LOG with its maiden entry into Japan's attractive logistics market and further strengthens E-LOG's portfolio metrics.



Notes: Unless otherwise stated, all references to portfolio metrics in this announcement are as at 30 June 2022 and have not been adjusted for the divestments of 3 Sanitarium Drive which was completed on 22 July 2022 and 49 Pandan Road which is expected to be completed in 4Q2022.

(1) Excludes properties held by the three property funds in Australia of which E-LOG is an investor (the "Fund Properties").

4.2 ESR Sakura DC is acquired at an attractive NPI yield of 4.35% and Purchase Consideration of JPY 208,372 per sqm (approximately 21.8% lower than market comparables on average)

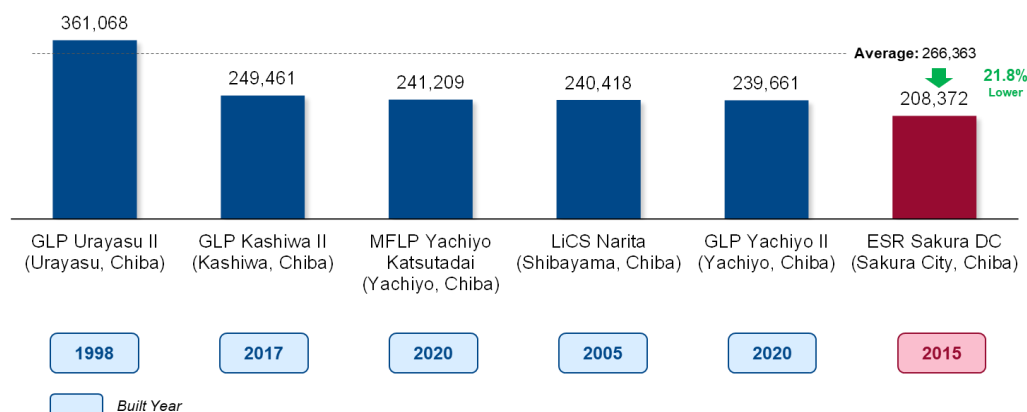
Property	Timing	Price (JPY million)	GFA (sqm)	Value psm (JPY)	ESR Sakura DC Value psm as compared to market	Built Year
ESR Sakura, Chiba (ESR Sakura DC)		17,800	85,424	208,372		2015
MFLP Yachiyo Katsutadai, Chiba	Jan-22	18,000	74,624	241,209	(13.6%)	2020
LiCS Narita, Chiba	Oct-21	5,250	21,837	240,418	(13.3%)	2005
GLP Urayasu II, Chiba	Nov-20	16,885	46,764	361,068	(42.3%)	1998
GLP Kashiwa II, Chiba	Nov-20	8,106	32,494	249,461	(16.5%)	2017
GLP Yachiyo II, Chiba	Nov-20	13,039	54,406	239,661	(13.1%)	2020
Average		12,256	46,025	266,364	(21.8%)	

Source: Selected transactions from the CBRE valuation report dated 1 August 2022.

Attractive NPI yield of c.4.35% and Purchase Consideration of JPY 208,372 per sqm
(approximately 21.8% lower than market comparables on average)⁽¹⁾

Lowest Price per sqm Among Recent Logistics Asset Transactions in the Chiba Prefecture, Tokyo

(Value per sqm in JPY)



Note:

(1) Based on selected transactions from the CBRE valuation report dated 1 August 2022.

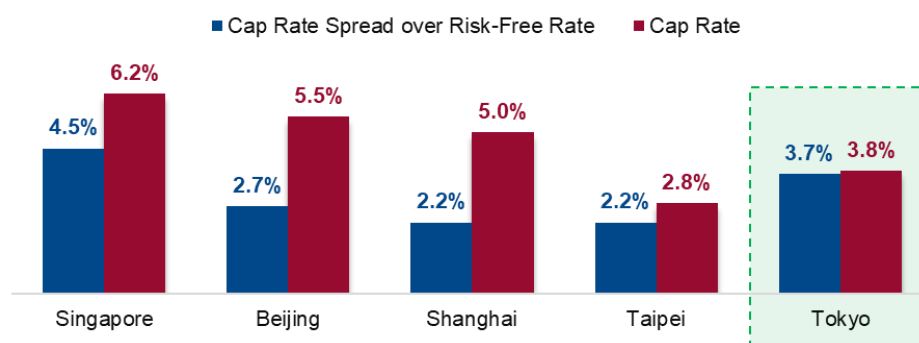
According to a valuation report by the Trustee’s Independent Valuer, CBRE, the table above provides the market sales comparable of recent logistics asset sales in the same vicinity which indicates that ESR Sakura DC is being acquired at an attractive price (approximately 21.8% lower than market comparables on average) based on value per sqm (“psm”).

4.3 E-LOG’s maiden entry into Japan’s attractive and asset scarce logistics market

4.3.1 Attractive industry dynamics and entry point

Japan represents a sizeable and scalable growth market for logistic assets, with attractive yield spreads against government bonds. The yield spreads for Japanese real estate are driven by the Bank of Japan’s adoption of a negative interest rate policy. Long term government bond yields are expected to remain low as the Bank of Japan will maintain its current monetary policy despite inflationary pressures. Compared to Singapore, Beijing and Shanghai, where logistics assets are situated on short land leases, Japan logistics assets are largely situated on freehold land.

Attractive Yield Spreads⁽¹⁾ for Japan Logistic Investments Driven by the Bank of Japan's Adoption of a Negative Interest Rate Policy



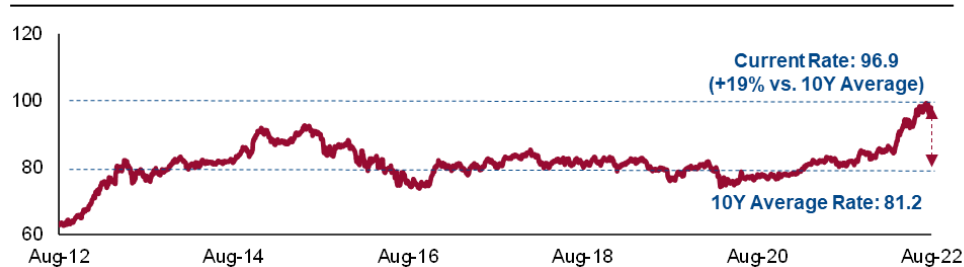
Source: Monetary Authority of Singapore, Macrobond, ARES, Knight Frank Asia-Pacific, Knight Frank Consultancy.

(1) Refers to the cap rate spread over risk-free rate. The 10-year government bond yield is taken as a proxy of the risk-free rates. All government bond yields are based on the respective country of origination

(2) Refers to the "23 Special Wards of Tokyo".

The Japanese Yen has depreciated against the Singapore Dollar, with the current exchange rate at JPY/SGD of 96.9 being 19% higher compared to the 10Y average of 81.2.

JPYSGD Chart (JPY per S\$)

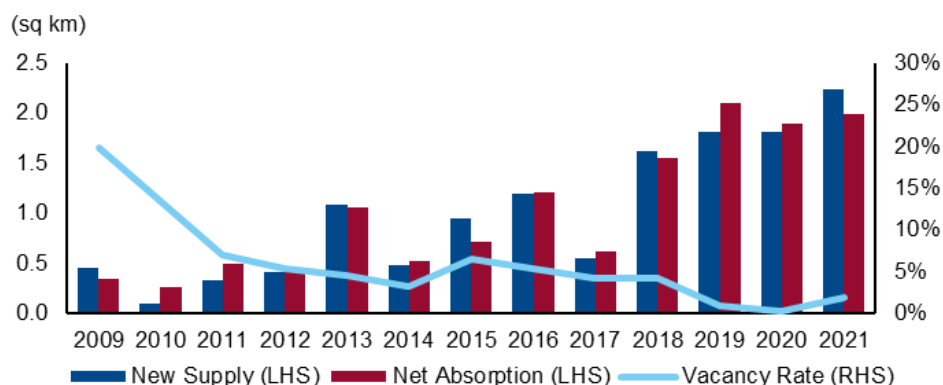


Source: FactSet as at 11 August 2022

4.3.2 Strong supply and demand dynamics expected to drive positive rent growth

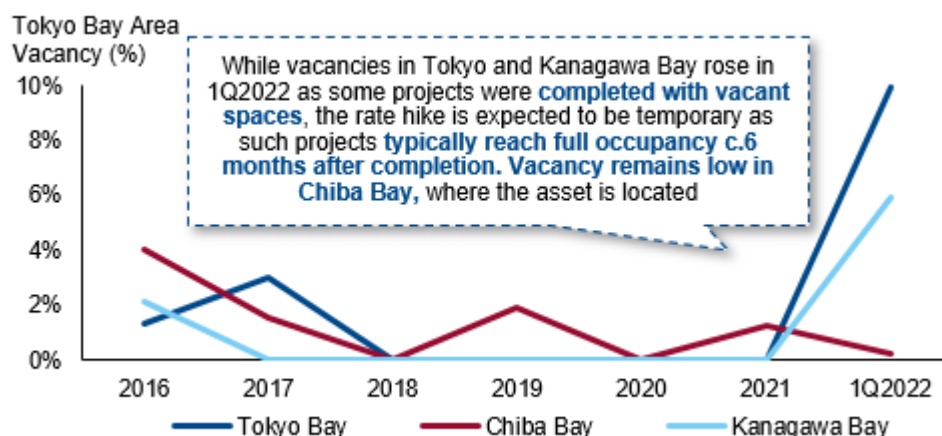
High Demand for Modern Logistics Warehouse: Tenants are increasingly attracted to modern logistics facilities due to better specifications. According to the Independent Market Research Consultant, the proportion of modern logistics facilities within the total stock in Japan accounts for only 13% of the total logistics supply, leaving potential for expansion and growth in the future.

High Net Absorption: According to the Independent Market Research Consultant, net absorption rates for logistics and warehouse space in Greater Tokyo have been higher than supply completions since 2017 which has resulted in low vacancy rates. Despite more supply coming onstream, the vacancy rate is expected to remain low especially in the Chiba area where ESR Sakura DC is situated.



Source: Jones Lang LaSalle K.K., the Independent Market Research Consultant

Low Vacancy Rates Across the Industry: Underpinned by the strong demand for logistics assets (in particular by e-commerce), the vacancy rates hit 0% at the end of 2020 in most submarkets in Japan, except for 2 submarkets which recorded a very low vacancy of 0.4%.



Source: Jones Lang LaSalle K.K., the Independent Market Research Consultant

Rising Rental Rates: According to the Independent Market Research Consultant, gross rents continue to rise in Greater Tokyo. Logistic rents tend to be stable due to its longer lease term compared to other asset types such as office properties. A tighter market environment coupled with extremely low vacancies have also contributed to the increase of rents. Consequently, the asking rents of newly developed properties tend to be higher, compared to the market rents of the existing properties in the surrounding areas, resulting in an overall increase in rental rates in recent years.



Source: Jones Lang LaSalle K.K., the Independent Market Research Consultant

Notes:

(1) Based on figures for 1Q2022.

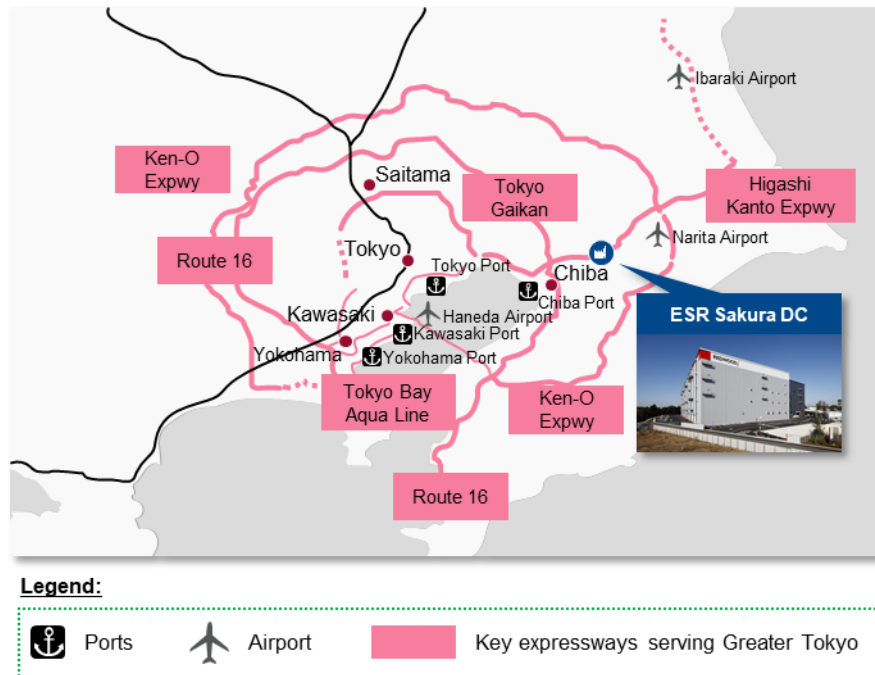
4.3.3 Strategically located asset with excellent connectivity

ESR Sakura DC is located in Sakura City, within the Northern part of Chiba Prefecture, and is strategically situated between the Narita Airport and Chiba Port, and is part of the Narita/Sakura logistics submarket in Tokyo.

The Chiba logistics market lies around 40km east of the Tokyo Central Business District, which includes:

- Narita International Airport: Japan's largest air freight transportation centre and has been the primary demand driver for large-scale logistic facilities; and
- Chiba Port: Japan's largest seaport and second busiest container port.

It is also located 1.9km away from the Higashi Kanto Expressway, which connects central Tokyo and the east / north-east of the Greater Tokyo region. Given the proximity to key air, sea, and land transport routes, ESR Sakura DC will be a prime beneficiary of the growth in the Chiba Prefecture.



Furthermore, it is also situated within an Exclusive Industrial District where only 14% of the 327 ha of land is designated for industrial use within the Urban Designated Area.⁸ Substantial industrial-zoned land has been fully built out, limiting new supply of competing assets.

4.4 ESR Sakura DC is freehold and completed in 2015

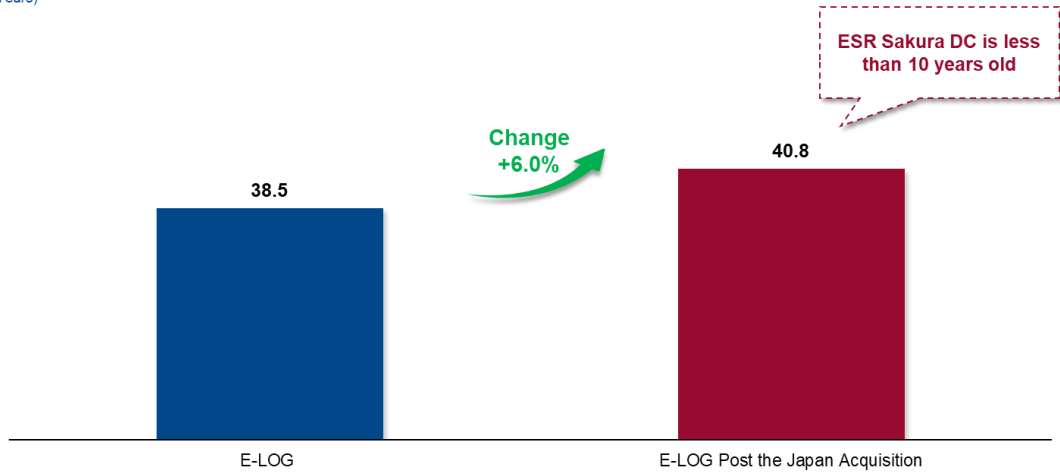
Completed in 2015, ESR Sakura DC is less than 10 years old and the addition of this freehold asset will further enhance E-LOG's strategy to gain exposure in the matured and established Japan market.

E-LOG's portfolio land lease expiry will increase from 38.5 years to 40.8 years post-acquisition of ESR Sakura DC. E-LOG will gain more exposure to freehold assets which do not suffer from valuation decay as a result of a declining land lease.

⁸ According to Ministry of Land, Infrastructure and Transport of Japan's urban land use planning.

Extended Land Lease Expiry Profile⁽¹⁾⁽²⁾

(Years)



Notes: Unless otherwise stated, all references to portfolio metrics in this announcement are as at 30 June 2022 and have not been adjusted for the divestments of 3 Sanitarium Drive which was completed on 22 July 2022 and 49 Pandan Road which is expected to be completed in 4Q2022.

(1) Excludes investments in the Fund Properties. Weighted on valuation as at 30 June 2022.

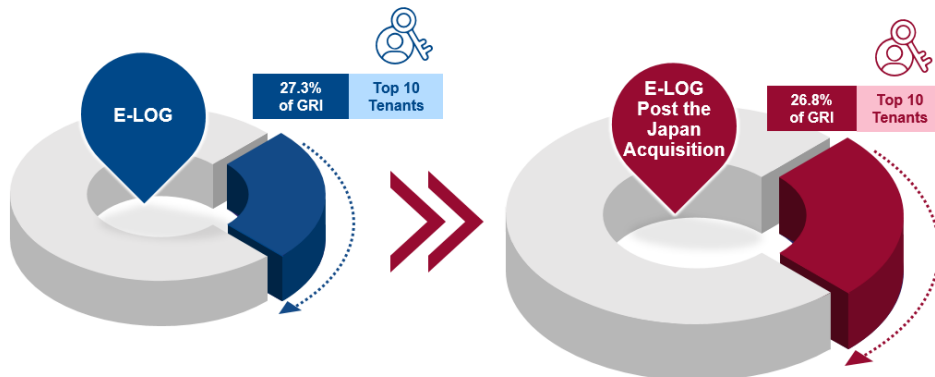
(2) Assumes freehold land has an equivalent land lease tenure of 99 years.

4.5 High quality asset positioning E-LOG for growth

4.5.1 Enhanced tenant diversification

Tenant Diversification: ESR Sakura DC has attracted a high-quality tenant base which include Universal Entertainment (listed manufacturer with FY2021 revenue of JPY 90.4 billion (approximately S\$932 million)). Post-acquisition of ESR Sakura DC, the total contribution of top 10 tenants will be reduced from 27.3% to 26.8%, further enhancing E-LOG's tenant diversification and increasing E-LOG's portfolio resilience.

Reduced Contribution by Top 10 Tenants⁽¹⁾

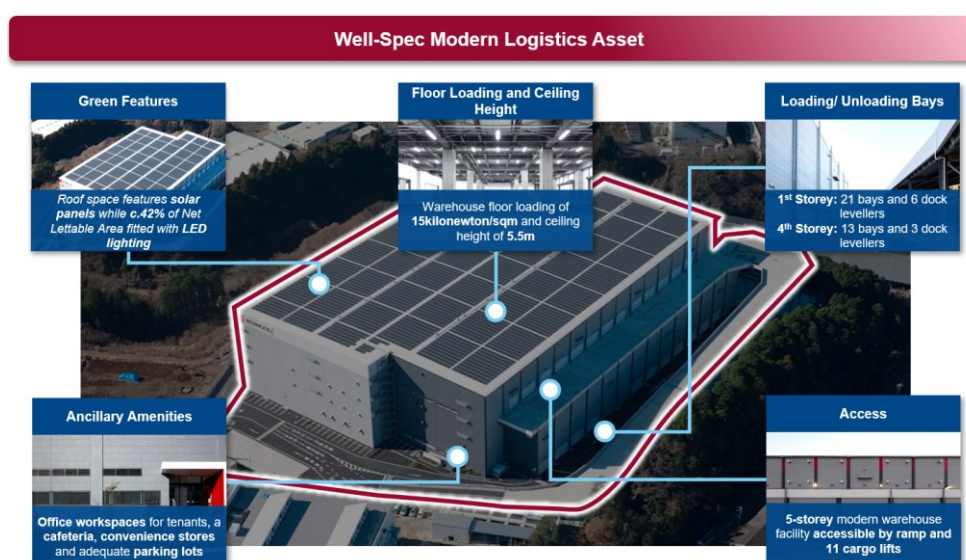


Notes: Unless otherwise stated, all references to portfolio metrics in this announcement are as at 30 June 2022 and have not been adjusted for the divestments of 3 Sanitarium Drive which was completed on 22 July 2022 and 49 Pandan Road which is expected to be completed in 4Q2022.

(1) Excludes contribution from Fund Properties. Effective Gross Rents based on month of June 2022.

4.5.2 Future-ready New Economy Asset

Asset Specifications: Completed in November 2015, ESR Sakura DC is a 5-storey modern warehouse facility sited on approximately 41,658 sqm of freehold land with a NLA of 81,507 sqm. The facility is accessible via a ramp to the 4th floor and has 11 cargo lifts serving the remaining levels. ESR Sakura DC has a high warehouse floor loading of 15 kilonewtons / sqm and a clear ceiling height of 5.5m, allowing optimal space utilisation and high load capabilities. The 1st level has 21 bays and 6 dock levellers and the 4th level has 13 bays and 3 dock levellers, designed to be highly versatile to support flexible leasing solutions. ESR Sakura DC also comes with ancillary amenities such as office workspace for tenants, a cafeteria, convenience stores and adequate parking space for workers.



Notes: Asset details are as of 30 June 2022.

Green Ratings and Features: The roof space of ESR Sakura DC features solar panels and the units are progressively being replaced with LED lightings. Currently, c.42% of the NLA of ESR Sakura DC has already been replaced with eco-friendly LED lighting.

4.6 The proposed Japan Acquisition enables the delivery of E-LOG's Portfolio Reconstitution Strategy to establish E-LOG as a leading New Economy REIT

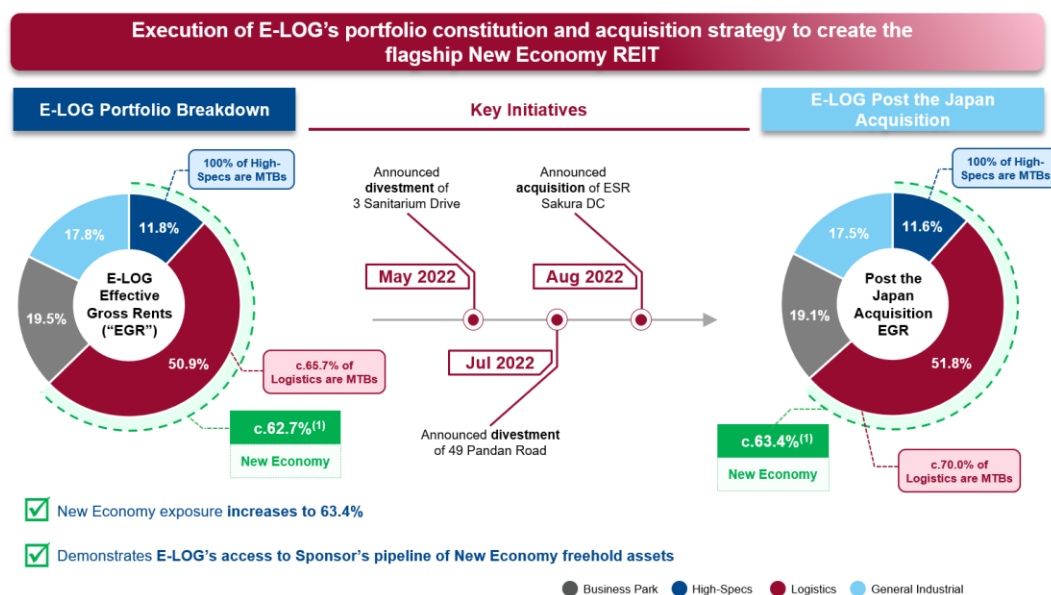
The Japan Acquisition is in line with the execution of E-LOG's portfolio reconstitution and acquisition strategy for quality, scalable and future-ready assets to create a leading New Economy REIT. It also demonstrates E-LOG's ability to access the Sponsor's pipeline of freehold and quality logistics assets and validates the Sponsor's strong commitment to grow E-LOG. In particular, the Sponsor Support provides certainty for the transaction and mitigates the short-term leasing risk for E-LOG.

The Sponsor has a strong track record for its Japan logistics real estate business and E-LOG can leverage on ESR Japan's on-the-ground local team and real estate operational capability to reduce operational risks thus allowing E-LOG to further establish a broader

APAC presence.

In May 2022, E-LOG announced the divestment of 3 Sanitarium Drive, Berkeley Vale, New South Wales, Australia to the Australasian Conference Association Limited for a sale consideration of S\$53.4 million⁹ (A\$55.0 million). The sale consideration represents a 18.5% premium to the fair value of 3 Sanitarium Drive of S\$45.1 million⁵ (A\$46.4 million¹⁰) and is 61.8% above its purchase price of S\$33.0 million⁵ (A\$34.0 million)¹¹. In July 2022, E-LOG announced the divestment of 49 Pandan Road to ST Logistics Pte Ltd. for a sale consideration of S\$43.5 million (excluding divestment costs and applicable goods and services tax). The sale consideration represents a 15.1% premium to the valuation of 49 Pandan Road¹². Divestments of both properties at a premium to fair value is illustrative of E-LOG's portfolio recalibration strategy to unlock value from non-core properties.

The divestments and the proposed Japan Acquisition will further strengthen E-LOG's strategic focus in New Economy assets across APAC, thereby increasing New Economy exposure to 63.4%.



Notes: Unless otherwise stated, all references to portfolio metrics in this announcement are as at 30 June 2022 and have not been adjusted for the divestments of 3 Sanitarium Drive which was completed on 22 July 2022 and 49 Pandan Road which is expected to be completed in 4Q2022.

(1) Based on Effective Gross Rents for the month of June 2022. Excludes contribution from the Fund Properties.

5. METHOD OF FINANCING

9 Using an illustrative exchange rate of A\$1,000 : S\$0.9713.

10 Based on the independent valuation conducted by Colliers International Valuation & Advisory Services (NSW) Pty Limited as at 19 May 2022, in relation to the divestment of 3 Sanitarium Drive.

11 Excluding acquisition-related costs.

12 Based on the independent valuation conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2022, in relation to the divestment of 49 Pandan Road.

The Manager intends to finance the Total Acquisition Outlay (save for the Acquisition Fee) with an optimal combination of internal sources of funds, external bank borrowings, and/or equity capital market issuances¹³.

As at 12 July 2022, the Manager has received committed debt financing term sheets of up to JPY 17,600 million (approximately S\$181.5 million) from banks for the purpose of financing the Japan Acquisition. For the avoidance of doubt, the Manager has secured sufficient financing to fund the Japan Acquisition.

6. DETAILS AND FINANCIAL INFORMATION OF THE JAPAN ACQUISITION

6.1 Pro Forma Financial Effects of the Japan Acquisition

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Japan Acquisition on the DPU, NAV and NTA per Unit and Aggregate Leverage presented below are strictly for illustrative purposes only and were prepared based on the following two illustrative scenarios, where the Japan Acquisition was (i) 100% funded by external debt (“**Scenario A**”) and (ii) 60% funded by external debt and 40% funded by equity (“**Scenario B**”). Please refer to **Appendix A** for the bases and assumptions underlying the pro forma financial effects of the Japan Acquisition.

6.2 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Japan Acquisition on the amount available for distribution to E-LOG Unitholders, the number of Units and E-LOG’s DPU, and the accretion thereof, for FY2021, assuming that the Japan Acquisition had been completed on 1 January 2021 and E-LOG held and operated the property through to 31 December 2021, and assuming that, among other bases and assumptions stated below, the merger between ESR-REIT and ARA LOGOS Logistics Trust (“**ALOG**”) to form E-LOG which was announced on 15 October 2021 and completed on 28 April 2022 (the “**Merger**”), and the E-LOG PERP Issuance (as defined herein), and Divestments (as defined herein), were completed on 1 January 2021, are as follows:

13 At E-LOG’s annual general meeting on 29 April 2022, Unitholders’ approved a general mandate to issue up to 50% of the total number of issued Units (excluding treasury Units, if any), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed 20% of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with the relevant laws and regulations. In the event that new Units are issued on (i) a non pro rata basis (i.e. a placement), Listing Rule 811 states that the issue price of such Units must not be priced at a discount of more than 10% discount to the weighted average price for trades done on the SGX for the full market day on which the placement (or if trading in the units is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed) (the “**VWAP Price**”), (ii) on a pro rata basis pursuant to a preferential offering, Listing Rule 816(2) states that the issue price of such Units must not be priced at a discount of more than 10% discount to the VWAP Price and (iii) on a pro rata basis pursuant to a rights issue, there is no limit set out in the Listing Manual on the discount to the VWAP Price.

	Actual FY2021	After the Merger, E-LOG PERP Issuance and Divestments	After the Merger, E-LOG PERP Issuance, Divestments and the Japan Acquisition	
			Scenario A	Scenario B
Amount available for distribution (S\$'000)	114,393	181,320	186,673	187,570
Applicable Number of Units ('000)	3,829,695	6,354,288	6,359,751	6,541,077
DPU (cents)	2.987	2.854	2.935	2.868
Accretion (%)	-	-	2.9	0.5

6.3 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Japan Acquisition on the NAV and NTA the number of Units and NAV and NTA per Unit, and the accretion thereof, as at 31 December 2021, assuming that the Japan Acquisition had been completed on 31 December 2021, and assuming that, among other bases and assumptions stated below, the Merger, E-LOG PERP Issuance and Divestments were completed on 31 December 2021, are as follows:

	Actual FY2021	After the Merger, E-LOG PERP Issuance and Divestments	After the Merger, E-LOG PERP Issuance, Divestments and the Japan Acquisition	
			Scenario A	Scenario B
NAV and NTA (S\$'000)	1,597,968	2,407,236	2,407,583	2,482,343
Number of issued Units ('000)	4,030,257	6,644,379	6,648,830	6,830,155
NAV and NTA per Unit (cents)	39.6	36.2	36.2	36.3
Accretion (%)	-	-	(0.1)	0.3

6.4 Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Japan Acquisition on E-LOG's aggregate leverage as at 31 December 2021, assuming that the Japan Acquisition had been completed on 31 December 2021, and assuming that, among other bases and assumptions stated below, the Merger, E-LOG PERP Issuance and Divestments were completed on 31 December 2021, are as follows:

	Actual FY2021	After the Merger, E-LOG PERP Issuance and	After the Merger, E-LOG PERP Issuance, Divestments and the Japan Acquisition

		Divestments	Scenario A	Scenario B
Aggregate Leverage (%)	40.0	39.8	42.0	40.6

7. AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE STATEMENT

Having regard to the rationale for and key benefits of the Japan Acquisition as set out in paragraph 4 above, the Audit, Risk Management and Compliance Committee believe that the Japan Acquisition is on normal commercial terms and is not prejudicial to the interests of E-LOG and its minority Unitholders.

It was announced on 2 August 2022 that Mr Khor Un-Hun resigned as Independent Non-Executive Director and Audit, Risk Management and Compliance Committee Chairman of the Manager to pursue other interests. It should be noted that Mr Khor Un-Hun had approved all matters relating to the Japan Acquisition which were submitted to the Board and the Audit, Risk Management and Compliance Committee up until his resignation.

8. INTERESTED PERSON TRANSACTION PURSUANT TO THE LISTING MANUAL AND INTERESTED PARTY TRANSACTION PURSUANT TO THE PROPERTY FUNDS APPENDIX

8.1 Relationship with the Sponsor Vendor

The Manager is a subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix. As such, the Sponsor is considered (under Chapter 9 of the Listing Manual) an “interested person” and (under the Property Funds Appendix) an “interested party”.

In relation to the proposed Japan Acquisition, as the Sponsor Vendor is an indirect subsidiary of the Sponsor, which is in turn a “controlling shareholder” of the Manager, the Japan Acquisition between the Sponsor Vendor and E-LOG will constitute an “interested person transaction” as defined under Chapter 9 of the Listing Manual and an “interested party transaction” as defined under the Property Funds Appendix.

8.2 Requirement for Unitholders’ Approval

Under Chapter 9 of the Listing Manual, where E-LOG proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of E-LOG’s latest audited NTA, Unitholders’ approval is required in respect of the transaction. Based on the latest audited financial statements of E-LOG for the financial year ended 31 December 2021 (the “**FY2021 Audited Financial Statements**”), the NTA of E-LOG was S\$1,598.0 million as at 31 December 2021. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by E-LOG with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered

into with the same interested person during the current financial year, equal to or in excess of S\$79.9 million, such a transaction would be subject to Unitholders' approval under Rule 906(1) of the Listing Manual.

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by E-LOG whose value is equal to or exceeds 5.0% of E-LOG's latest audited NAV. Based on the FY2021 Audited Financial Statements, the NAV of E-LOG as at 31 December 2021 was S\$1,598.0 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by E-LOG with an interested party is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested party during the current financial year, equal to or in excess of S\$79.9 million, such a transaction would be subject to Unitholders' approval pursuant to paragraph 5.2(b) of the Property Funds Appendix.

The Japan Purchase Consideration is approximately S\$183.5 million (which is approximately 11.5% of the latest audited NTA and NAV of E-LOG respectively as at 31 December 2021). The Japan Purchase Consideration will exceed 5.0% of the latest audited NTA and NAV of E-LOG respectively. Therefore, the approval of Unitholders would be required in relation to the Japan Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, respectively.

8.3 Existing Interested Person Transactions

As at the date of this announcement, E-LOG had entered into interested person transactions with the Sponsor group and its associates during the current financial year, amounting to approximately S\$23.9 million¹⁴ which is equivalent to approximately 1.5% of the latest audited NTA of E-LOG as at 31 December 2021. Save as described above, there were no other interested person transactions entered into with any other interested person of E-LOG during the current financial year.

9. OTHER INFORMATION

9.1 Disclosure under Rule 1010(13) of the Listing Manual

The relative figures for the Japan Acquisition using the applicable bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are set out in the table below.

Comparison of	Japan Acquisition (S\$ million)	E-LOG (S\$ million)	Relative figure (%)
Rule 1006(b) Net property income ⁽¹⁾ attributable to the assets acquired compared to E-	8.1 ⁽²⁾	277.5 ⁽³⁾	2.9

14 For the avoidance of doubt, this does not include the Scheme Consideration raised from the Merger which was approximately S\$1,409.3 million, which has already been separately approved by the Unitholders. In addition, as the value of the interested person transactions includes the entry into of property management agreements whose value is determined based on the estimated value of all property management fees paid with a buffer, the actual amount of the interested person transaction may be less than the amount set out.

Comparison of	Japan Acquisition (S\$ million)	E-LOG (S\$ million)	Relative figure (%)
LOG's net property income			
Rule 1006(c) Aggregate value of consideration ⁽⁴⁾ to be given compared with E-LOG's market capitalisation	183.5	2,756.3 ⁽⁵⁾	6.7

Notes:

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) Includes approximately S\$2.4 million of Rental Support.
- (3) Based on the FY2021 pro forma net property income of E-LOG assuming the Merger, E-LOG Perp Issuance and Divestments were completed on 1 January 2021.
- (4) For the purposes of computation under Rule 1006(c), the aggregate consideration given by E-LOG is the aggregate purchase consideration for ESR Sakura DC.
- (5) This figure is based on the weighted average price of S\$0.4123 per Unit on the Singapore Exchange Securities Trading Limited (the "SGX-ST") as at 26 August 2022, being the market day immediately prior to the date the Japan Sale and Purchase Agreement was entered into.

As shown in the table above, given that the relative figure computed based on Rule 1006(c) of the Listing Manual exceeds 5%, the Japan Acquisition constitutes a "discloseable transaction" under Rule 1010 of the Listing Manual (read with Rule 1006(c) of the Listing Manual). Rule 1006(d) of the Listing Manual is not applicable as E-LOG will not be issuing any Units as consideration for the Japan Acquisition.

9.2 Directors' Service Contracts

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

9.3 Interests of Directors and Substantial Unitholders

As at the date of this announcement, certain Directors collectively hold an aggregate direct and indirect interest in 7,171,531 Units.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed below, the following directors of the Manager ("**Directors**") currently holds a direct or deemed interest in the Units as at the date of this announcement:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Stefanie Yuen Thio	265,934	0.004	37,951	0.001	303,885	0.005
Leong Horn Kee	-	-	-	-	-	-
Ronald Lim	166,321	0.002	-	-	166,321	0.002
Nagaraj Sivaram	1,000,000	0.015	-	-	1,000,000	0.015

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Jeffrey Perlman	-	-	-	-	-	-
Philip Pearce	-	-	-	-	-	-
Wilson Ang	4,114,579	0.062	-	-	4,114,579	0.062
Trent Iliffe	1,586,746	0.024	-	-	1,586,746	0.024
Adrian Chui	-	-	-	-	-	-

Note:

- (1) The percentage interest is based on total issued Units of 6,685,226,373 as at the date of this announcement.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders of E-LOG and their interests in the Units as at the date of this announcement are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
e-Shang Infinity Cayman Limited	530,892,503	7.941	108,739,894 ⁽²⁾	1.627	639,632,397	9.568
e-Shang Jupiter Cayman Limited	-	-	639,632,397 ⁽³⁾	9.568	639,632,397	9.568
ESR Group Limited	-	-	973,163,661 ⁽⁴⁾	14.557	973,163,661	14.557
Tong Jinquan	172,802,987	2.585	255,184,832 ⁽⁵⁾	3.817	427,987,819	6.402

Notes:

- (1) The percentage interest is based on 6,685,226,373 Units in issue as at the date of this announcement.
- (2) e-Shang Infinity Cayman Limited indirectly owns 91.3% equity interest in the Manager and 100% equity interest in ESR-LOGOS Property Management (S) Pte. Ltd. Each of the Manager and ESR-LOGOS Property Management (S) Pte. Ltd. holds 88,149,484 Units and 20,590,410 Units, respectively. Therefore, e-Shang Infinity Cayman Limited is deemed to be interested in the 108,739,894 Units held by the Manager and ESR-LOGOS Property Management (S) Pte. Ltd.
- (3) e-Shang Infinity Cayman Limited is a wholly-owned subsidiary of e-Shang Jupiter Cayman Limited. Therefore, e-Shang Jupiter Cayman Limited is deemed to be interested in the 639,632,397 Units held by e-Shang Infinity Cayman Limited, the Manager and ESR-LOGOS Property Management (S) Pte. Ltd.
- (4) e-Shang Jupiter Cayman Limited is a wholly-owned subsidiary of ESR Group Limited. Therefore, ESR Group Limited is deemed to be interested in the 639,632,397 Units held by e-Shang Infinity Cayman Limited, the Manager and ESR-LOGOS Property Management (S) Pte. Ltd. LOGOS Units No.1 Ltd holds 318,887,399 Units and is a wholly-owned subsidiary of LOGOS Property Group Limited. ARA LOGOS Logistics Trust Management Limited holds 14,643,865 Units and is a wholly-owned subsidiary of LOGOS Manager No.1 Pte. Ltd., which is an indirect wholly-

owned subsidiary of LOGOS Property Group Limited.

ARA Logistics Venture I Limited owns 86.4% equity interest in LOGOS Property Group Limited. ARA Logistics Venture I Limited is a subsidiary of ARA Logistics Partners Limited which is in turn a subsidiary of ARA Logistics (Holdings) Pte. Ltd., which is a wholly-owned subsidiary of ARA Asset Management Limited, which is in turn a wholly-owned subsidiary of ESR Group Limited. Therefore, ESR Group Limited is deemed to be interested in the 333,531,264 Units held by LOGOS Units No.1 Ltd and ARA LOGOS Logistics Trust Management Limited.

- (5) Wealthy Fountain Holdings Inc holds 60 Units and Skyline Horizon Consortium Ltd holds 13,172,094 Units. Both Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd are wholly-owned by Shanghai Summit Pte. Ltd. (“**SSPL**”).

Leading Wealth Global Inc (“**LWG**”) holds 242,012,678 Units and is a wholly-owned subsidiary of Longemont Real Estate Pte. Ltd., which is in turn a wholly-owned subsidiary of Shanghai Summit (Group) Co., Ltd. (“**SSGCL**”).

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager¹⁵ at 8 Changi Business Park Avenue 1, #05-51, ESR BizPark@Changi (South Tower), Singapore 486018 from the date of this announcement up to and including the date falling three (3) months thereafter:

- (i) the Japan Sale and Purchase Agreement; and
- (ii) the independent valuation reports on ESR Sakura DC issued by the Japan Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager (address as set out above).

BY ORDER OF THE BOARD

ESR-LOGOS Funds Management (S) Limited

As manager of ESR-LOGOS REIT

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

Adrian Chui

Chief Executive Officer and Executive Director

29 August 2022

¹⁵ Prior appointment will be appreciated. Please contact E-LOG Investor Relations team (telephone: +65 6222 3339).

For further enquiries, please contact:

ESR-LOGOS Funds Management (S) Limited

Lyn Ong

Manager, Capital Markets and Investor Relations

Tel: +65 6222 3339

Email: lyn.ong@esr-logosreit.com.sg

APPENDIX A

BASES AND ASSUMPTIONS UNDERLYING THE PRO FORMA FINANCIAL EFFECTS OF THE JAPAN ACQUISITION

Basis of preparation for the pro forma financial effects of the Japan Acquisition on E-LOG's DPU for FY2021

The unaudited pro forma financial effects of the Japan Acquisition on E-LOG have been prepared based on the E-LOG (formerly known as ESR-REIT) FY2021 Audited Financial Statements and ALOG FY2021 Audited Financial Statements, for illustrative purposes only, and are based on certain assumptions directly attributable to the Merger, E-LOG PERP Issuance, Divestments and the Japan Acquisition, to show the pro forma financial effects of the Japan Acquisition on E-LOG's DPU for FY2021.

The assumptions for the Japan Acquisition are set out as follows:

- (a) the illustrative exchange rate is JPY 97.00 = S\$1.00;
- (b) the acquisition of ESR Sakura DC had occurred on 1 January 2021 and a full year pro forma financial effect from the Japan Acquisition were included;
- (c) the vacant space at ESR Sakura DC remains vacant for a period of 12 months from completion, and the full 12 months of Rental Support amounting to JPY 236.5 million (approximately S\$2.4 million) is paid out to E-LOG;
- (d) For Scenario A, where the Japan Acquisition was 100% funded by external debt:
 - (i) new Japanese Yen denominated banking facilities of approximately S\$181.5 million at a weighted average "all-in" finance cost of 0.98% per annum was used to partially finance the Total Acquisition Outlay; and
 - (ii) existing Singapore Dollar banking facilities of approximately S\$3.7 million at a weighted average "all-in" finance cost of 2.79% per annum was used to partially finance the Total Acquisition Outlay;
- (e) For Scenario B, where the Japan Acquisition was 60% funded by external debt and 40% funded by equity:
 - (i) new Japanese Yen denominated banking facilities of approximately S\$110.4 million at a weighted average "all-in" finance cost of 0.79% per annum was used to partially finance the Total Acquisition Outlay; and
 - (ii) issuance of approximately 181.3 million new Units at an illustrative issue price of S\$0.4123 per Unit, based on the volume weighted average price per Unit for all trades on the SGX-ST as at 26 August 2022, being the market day immediately prior to this announcement, to raise proceeds of approximately S\$74.8 million to partially finance the Total Acquisition Outlay;
- (f) acquisition fees of approximately S\$1.8 million relating to the Japan Acquisition was paid by way of the issuance of approximately 4.5 million new Units at the illustrative issue price of

S\$0.4123 per Unit;

- (g) approximately 45% of the asset management fees relating to the Japan Acquisition was paid in Units; and
- (h) other costs including stamp duty, the estimated professional and other fees and expenses of approximately S\$1.7 million incurred or to be incurred by E-LOG in connection with the Japan Acquisition were funded as part of the Total Acquisition Outlay in Scenario A and Scenario B.

The assumptions for the Merger and E-LOG PERP Issuance (as defined below) are set out as follows:

- (a) the Merger and E-LOG PERP Issuance had occurred on 1 January 2021;
- (b) the completion of the development and acquisition of the Heron Property by ALOG based on its contracted purchase consideration, which was actually completed on 11 January 2022, had occurred on 1 January 2021 and a full year pro forma financial effect from the aforementioned acquisition was included;
- (c) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the ALOG FY2021 Audited Financial Statements;
- (d) based on the weighted number of ALOG units issued for FY2021, the scheme consideration of approximately S\$1,409.3 million for the Merger was settled by way of an aggregate cash consideration of approximately S\$140.9 million and the issuance of approximately 2,478.5 million new Units;
- (e) ALOG's total borrowings and related interest rate swaps of approximately S\$757.3 million were replaced with new banking facilities of approximately S\$607.3 million at a weighted average "all-in" finance cost of 2.79% per annum and S\$150.0 million of new perpetual securities at a coupon rate of 5.5% per annum as announced on 2 June 2022 and issued on 9 June 2022 (the "**E-LOG PERP Issuance**");
- (f) ALOG's S\$101.5 million perpetual securities were not redeemed;
- (g) the upfront land premium of approximately S\$37.7 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.79% per annum, was paid to JTC Corporation at completion of the Merger and E-LOG did not incur any land rent expenses for the ALOG properties in FY2021 save for the property located at 24 Penjuru Road;
- (h) acquisition fees of approximately S\$16.0 million pursuant to the Merger were paid by way of the issuance of approximately 38.3 million new Units at the issue price of S\$0.4170 per Unit, which was determined based on the volume weighted average price per Unit for all trades on the SGX-ST in the ordinary course of trading for the ten business days prior to the date of completion of the Merger on 28 April 2022, as announced on 17 May 2022;
- (i) ALOG's asset management and trustee fee structures were replaced with the management fee and trustee fee structures in the E-LOG Trust Deed with effect from 1 January 2021. Consequently, no performance fee was paid by E-LOG for FY2021 and approximately 75.0% of the asset management fees for E-LOG was paid in Units;
- (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 2.79% per annum;

- (k) transaction costs related to the Merger and the excess of the scheme consideration over the acquired net assets of ALOG were written off; and
- (l) excludes any other operational and trust level savings or potential synergies from the Merger.

The assumptions for the Divestments (as defined below) are set out as follows:

- (a) the following divestments by E-LOG had occurred on 1 January 2021:
 - (i) the divestment of 3 Sanitarium Drive, Berkeley Vale, New South Wales in Australia as announced on 25 May 2022 and actually completed on 22 July 2022; and
 - (ii) the divestment of 49 Pandan Road, as announced on 29 July 2022;(collectively, the "**Divestments**")
- (b) the net divestment proceeds, after accounting for transaction costs and taxes, were used for the repayment of bank borrowings; and
- (c) the actual financial information of the Divestments was excluded from the pro forma financial effects of the Japan Acquisition.

Basis of preparation for the pro forma financial effects of the Japan Acquisition on E-LOG's NAV and NTA per Unit and aggregate leverage as at 31 December 2021

The unaudited pro forma financial effects of the Japan Acquisition on E-LOG have been prepared based on the E-LOG (formerly known as ESR-REIT) FY2021 Audited Financial Statements and ALOG FY2021 Audited Financial Statements, for illustrative purposes only, and are based on certain assumptions directly attributable to the Merger, E-LOG PERP Issuance, Divestments and the Japan Acquisition, to show the pro forma financial effects of the Japan Acquisition on E-LOG's NAV and NTA per Unit and aggregate leverage as at 31 December 2021.

The assumptions for the Japan Acquisition are set out as follows:

- (a) the illustrative exchange rate is JPY 97.00 = S\$1.00;
- (b) the acquisition of ESR Sakura DC had occurred on 31 December 2021;
- (c) For Scenario A, where the Japan Acquisition was 100% funded by external debt:
 - (i) new Japanese Yen denominated banking facilities of approximately S\$181.5 million at a weighted average "all-in" finance cost of 0.98% per annum was used to partially finance the Total Acquisition Outlay; and
 - (ii) existing Singapore Dollar banking facilities of approximately S\$3.7 million at a weighted average "all-in" finance cost of 2.79% per annum was used to partially finance the Total Acquisition Outlay;
- (d) For Scenario B, where the Japan Acquisition was 60% funded by external debt and 40% funded by equity:
 - (i) new Japanese Yen denominated banking facilities of approximately S\$110.4 million at a weighted average "all-in" finance cost of 0.79% per annum was used to partially finance the Total Acquisition Outlay; and
 - (ii) issuance of approximately 181.3 million new Units at an illustrative issue price of S\$0.4123 per Unit, based on the volume weighted average price per Unit for all trades on the SGX-ST as at 26 August 2022, being the market day immediately prior to this announcement, to raise proceeds of approximately S\$74.8 million to partially finance the Total Acquisition Outlay;
- (e) acquisition fees of approximately S\$1.8 million relating to the Japan Acquisition was paid by way of the issuance of approximately 4.5 million new Units at the illustrative issue price of S\$0.4123 per Unit; and
- (f) other costs including stamp duty, the estimated professional and other fees and expenses of approximately S\$1.7 million incurred or to be incurred by E-LOG in connection with the Japan Acquisition were funded as part of the Total Acquisition Outlay in Scenario A and Scenario B.

The assumptions for the Merger and E-LOG PERP Issuance are set out as follows:

- (a) the Merger and E-LOG PERP Issuance had occurred on 31 December 2021;
- (b) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the ALOG

FY2021 Audited Financial Statements;

- (c) the completion of the development and acquisition of the Heron Property by ALOG based on its contracted purchase consideration, which was actually completed on 11 January 2022, had occurred on 31 December 2021;
- (d) based on the number of ALOG Units issued as at 21 April 2022, being the record date to determine the entitlements of the ALOG Unitholders in respect of the scheme, the scheme consideration of approximately S\$1,409.3 million for the Merger was settled by way of an aggregate cash consideration of approximately S\$140.9 million and the issuance of approximately 2,575.8 million new Units, as announced on 28 April 2022;
- (e) ALOG's total borrowings and related interest rate swaps of approximately S\$757.3 million were replaced with new banking facilities of approximately S\$607.3 million at a weighted average "all-in" finance cost of 2.79% per annum and S\$150.0 million of new perpetual securities from the E-LOG PERP Issuance;
- (f) ALOG's S\$101.5 million perpetual securities were not redeemed;
- (g) the upfront land premium of approximately S\$37.7 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.79% per annum, was paid to JTC Corporation at completion of the Merger;
- (h) acquisition fees of approximately S\$16.0 million pursuant to the Merger were paid by way of the issuance of approximately 38.3 million new Units at the issue price of S\$0.4170 per Unit, which was determined based on the volume weighted average price per Unit for all trades on the SGX-ST in the ordinary course of trading for the ten business days prior to the date of completion of the Merger on 28 April 2022, as announced on 17 May 2022;
- (i) 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 2.79% per annum;
- (j) transaction costs related to the Merger and the excess of the scheme consideration over the acquired net assets of ALOG were written off.

The assumptions for the Divestments are set out as follows:

- (a) the following Divestments had occurred on 31 December 2021:
 - (i) the divestment of 3 Sanitarium Drive, Berkeley Vale, New South Wales in Australia as announced on 25 May 2022 and actually completed on 22 July 2022; and
 - (ii) the divestment of 49 Pandan Road, as announced on 29 July 2022,
- (b) the net divestment proceeds, after accounting for transaction costs and taxes, were used for the repayment of bank borrowings.

About ESR-LOGOS REIT

ESR-LOGOS REIT is a leading New Economy and future-ready Asia Pacific S-REIT. Listed on the Singapore Exchange Securities Trading Limited since 25 July 2006, ESR-LOGOS REIT invests in quality income-producing industrial properties in key gateway markets.

As at 30 June 2022, ESR-LOGOS REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S\$5.5 billion. Its portfolio comprises 83 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (62 assets) and Australia (21 assets), with a total gross floor area of approximately 2.3 million sqm, as well as investments in three property funds in Australia. ESR-LOGOS REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

ESR-LOGOS REIT is managed by ESR-LOGOS Funds Management (S) Limited (the “**Manager**”) and sponsored by ESR Group Limited (“**ESR**”). The Manager is owned by ESR (91.3%), Mitsui & Co., Ltd (7.7%), and Shanghai Summit Pte. Ltd. (1.0%), respectively.

For further information on ESR-LOGOS REIT, please visit www.esr-logosreit.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), its 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 allow capital partners and customers to capitalise on the most significant secular trends in APAC. 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 its business 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-LOGOS 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-LOGOS Funds Management (S) Limited (“**Manager**”), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-LOGOS 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-LOGOS REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-LOGOS REIT, any particular rate of return from investing in ESR-LOGOS REIT, or any taxation consequences of an investment in ESR-LOGOS REIT. Any indication of ESR-LOGOS 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 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-LOGOS 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-LOGOS REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.