



ARA LOGOS LOGISTICS TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 11 February 2010 as amended and restated)

PROPOSED DIVESTMENT OF KIDMAN PARK IN AUSTRALIA

1. INTRODUCTION

1.1 Proposed Divestment of Kidman Park (“Proposed Divestment”)

ARA LOGOS Logistics Trust Management Limited, in its capacity as the manager of ARA LOGOS Logistics Trust (“**ALOG**”, and as manager of ALOG, the “**Manager**”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of ALOG (“**Trustee**”), has on 25 April 2021 entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with an unrelated third party purchaser, 1835 Capital Pty Ltd (“**Purchaser**”), pursuant to which ALOG, through The Trust Company Limited (in its capacity as trustee of Kidman Park (SA) Trust), has agreed to sell, and the Purchaser has agreed to purchase, the property located at 404-450 Findon Road, Kidman Park, South Australia, Australia (the “**Property**”) subject to the terms and conditions set out in the Sale and Purchase Agreement.

(See paragraph 4 for further details on the principal terms and conditions of the Sale and Purchase Agreement.)

The Purchaser is not an “interested person” of ALOG for the purposes of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**” and the listing manual of the SGX-ST, the “**Listing Manual**”) and not an “interested party” of ALOG for the purposes of Appendix 6 to the Code of Collective Investment Schemes.

1.2 Information on the Property

The Property was completed in 1964 (with periodic additions made with the most recent being in 2004) and added to ALOG’s portfolio in 2015. The Property comprises a cold store warehouse space with ancillary offices. The Property is freehold, with a total land area of 119,170 square metres (“**sq m**”) and a gross floor area of 58,795 sq m.

2. DETAILS OF THE PROPOSED DIVESTMENT

The proposed sale consideration for the Proposed Divestment is A\$41.5 million (approximately S\$42.6 million¹), plus goods and services tax (if any) (“**Proposed Sale Consideration**”), which was agreed on a willing buyer willing seller basis, after taking into account the independent valuation of the Property.

¹ Based on the exchange rate of A\$1.00= S\$1.0269.

The Property was valued by CBRE Valuations Pty Limited (“**Independent Valuer**”) at A\$40.0 million (“**Valuation**”) as at 31 December 2020, using the Market Capitalisation Analysis method and Discounted Cash Flow (DCF) Analysis method.

Completion of the sale of the Property is expected to take place in the second quarter of 2021.

In accordance with the Trust Deed, the Manager is entitled to a divestment fee of approximately A\$0.2 million, being 0.5% of the sale price of the Property.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED DIVESTMENT

The Manager believes the Proposed Divestment will bring the following key benefits to unitholders of ALOG (“**Unitholders**”).

The Proposed Divestment is in line with the Manager’s strategy to optimise returns through both proactive asset management and rebalancing of the ALOG’s portfolio where capital is intended to be redeployed to building a more resilient and quality portfolio.

In this regard, the Proposed Divestment provides ALOG with the opportunity to recycle its capital in line with the Manager’s portfolio rebalancing and growth strategy to create debt headroom and reinvest capital into higher performing assets with stronger property fundamentals.

4. PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

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

- (i) a deposit of approximately A\$1.04 million, which is payable by the purchaser to the vendor’s solicitor (as deposit holder) upon execution of the agreement. The vendor’s solicitor will hold the deposit until settlement as stakeholder on and subject to the terms of the agreement;
- (ii) the director of the purchasing entity is required to execute a guarantee and indemnity, in the form contained in the annexure of the agreement, contemporaneously with the execution of the agreement;
- (iii) if the existing leases do not end before settlement for any reason:
 - (a) the Property is sold subject to those leases, copies of which are contained in the annexure of the agreement. The sale is not affected if the leases end before settlement; and
 - (b) the purchaser must enter into an accession deed, in the form contained in an annexure to the agreement, under which the purchaser agrees to be bound by the leases on and from settlement; and
- (iv) the whole of the balance of the Proposed Sale Consideration is payable at settlement.

5. USE OF SALE PROCEEDS AND FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

5.1 Use of sale proceeds

After taking into account the associated taxes and divestment related expenses (including the divestment fee payable to the Manager), the net proceeds from the Proposed Divestment would be approximately A\$40.5 million and ALOG is expected to recognise an estimated divestment gain of approximately A\$0.4 million over the latest book value¹. The net proceeds of the Proposed Divestment may be used to repay debt, finance any capital expenditure and asset enhancement works, capital distribution, fund new acquisitions, and/or to finance general corporate and working capital requirements.

5.2 Pro forma financial effects

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Divestment on the net asset value (“NAV”) per unit in ALOG (“Unit”) and the distribution per unit (“DPU”) of ALOG presented below were prepared based on the audited financial statements of ALOG for the financial year ended 31 December 2020.

5.2.1 Pro forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Divestment on ALOG’s NAV per Unit as at 31 December 2020, as if the Proposed Divestment was completed on 31 December 2020, are as follows:

	Before the Divestment ⁽¹⁾	After the Divestment ⁽¹⁾
NAV represented by Unitholders’ funds (S\$’000)	678,545	678,977
Total number of Units in issue ⁽²⁾ (‘000)	1,186,966	1,186,966
NAV per Unit (S\$)	0.572	0.572

Notes:

(1) Based on illustrative exchange rate of S\$1.00 = A\$0.9837.

(2) Units issued and to be issued as at 31 December 2020 excludes 91,112,930 preferential offering Units which were issued on 25 January 2021.

¹ Being the valuation of the Property as at 31 December 2020.

5.2.2 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Divestment on ALOG's DPU for the financial year ended 31 December 2020, as if ALOG had completed the Divestment on 1 January 2020, are as follows:

	Before the Divestment ⁽¹⁾	After the Divestment ⁽¹⁾
Net Property Income (S\$'000)	89,990	84,552
Distributable income (S\$'000)	58,828	54,681
Total number of Units in issue ⁽²⁾ ('000)	1,278,079	1,278,079
DPU (Singapore cents)	5.250	4.884
Change in DPU (%)	-	-7.0%

Notes:

(1) Based on illustrative exchange rate of S\$1.00 = A\$0.9837.

(2) Units issued and to be issued as at 31 December 2020.

5.2.3 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of ALOG as at 31 December 2020, as if the Proposed Divestment was completed on 31 December 2020, is as follows:

	Before the Divestment	After the Divestment
Aggregate Leverage (pro forma as at 31 December 2020)	39.0%	37.1%

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 1,964,100 Units. ALOG has no controlling Unitholder.

Save as disclosed above and based on the information available to the Manager as at the date of this announcement, none of the directors of the Manager has an interest, direct or indirect, in the Proposed Divestment.

7. OTHER INFORMATION

7.1 Directors' Service Contracts

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

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

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by ALOG. Such transactions are classified into the following categories: (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases or comparison set out in Rules 1006(a), Rules 1006(b) and 1006(c) of the Listing Manual:

- (i) NAV of the assets to be disposed of, compared with the issuer's NAV;
- (ii) the net profits attributable to the assets disposed of, compared with the issuer's net profits; and
- (iii) the aggregate value of the consideration received, compared with the issuer's market capitalisation.

The relative figures for the Proposed Divestment using the applicable bases of comparison described above are set out in the table below.

Comparison of:	Proposed Divestment	ALOG	Relative figure (%)
NAV (S\$ million)	40.7	678.5	6.0
Net Property Income (S\$ million) ⁽¹⁾	5.4	90.0	6.0
Sale consideration against market capitalisation (S\$ million)	42.2 ⁽²⁾	1,083.4 ⁽³⁾	3.9

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) Based on the exchange rate of S\$1.00 to A\$0.9837.
- (3) This figure is based on the weighted average price of S\$0.7482 per Unit on the SGX-ST as at 23 April 2021, being the market day immediately prior to 25 April 2021, the date of the Sale and Purchase Agreement.

As the relative figures computed on the bases set out in Rule 1006 exceed 5% but do not exceed 20%, the Proposed Divestment is classified as discloseable transactions under Chapter 10 of the Listing Manual but is not subject to Unitholders' approval.

7.3 Documents Available for Inspection

Copies of the Sale and Purchase Agreement and the Independent Valuer's report are available for inspection during normal business hours at the registered office of the Manager¹ at 50 Collyer Quay, #05-05 OUE Bayfront, Singapore 049321 from the date of this announcement up to and including the date falling three (3) months after the date of this announcement.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as ALOG is in existence.

BY ORDER OF THE BOARD

ARA LOGOS Logistics Trust Management Limited

(as manager of ARA LOGOS Logistics Trust)

(Company Registration No. 200919331H)

Karen Lee
Chief Executive Officer

Singapore
26 April 2021

¹ Prior appointment will be appreciated. Please contact ALOG Investors Relations team (telephone: +65 6491 0088).

ABOUT ARA LOGOS LOGISTICS TRUST (“ALOG”)

Listed on the Singapore Exchange on 12 April 2010, ARA LOGOS Logistics Trust (“**ALOG**”) is a real estate investment trust (“**REIT**”) that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific. ALOG is managed by ARA LOGOS Logistics Trust Management Limited.

As at 31 March 2021, ALOG’s portfolio comprises 27 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia. The portfolio has a total gross floor area of approximately 9.0 million square feet valued at approximately S\$1.28 billion.

For more information, please visit <https://www.aralogos-reit.com>.

ABOUT ARA LOGOS LOGISTICS TRUST MANAGEMENT LIMITED

ALOG is managed by ARA LOGOS Logistics Trust Management Limited (the “**Manager**”), a wholly-owned subsidiary of LOGOS. ARA Asset Management Limited (“**ARA**” or the “**Group**”) is a majority shareholder of LOGOS, which operates as ARA’s global logistics real estate platform.

LOGOS is one of Asia Pacific’s leading logistics property groups with over 7.6 million sqm of property owned and under development, and a completed asset under management (“**AUM**”) of S\$15.3 billion across 25 ventures, including ALOG. As a vertically integrated business, LOGOS manages every aspect of logistics real estate, from sourcing land or facilities, to undertaking development and asset management, on behalf of some of the world’s leading global real estate investors.

ARA is a leading APAC real assets fund manager with a global reach. With S\$116 billion⁽¹⁾ in gross assets under management as at 31 December 2020, ARA offers value-added investment solutions in both public and private markets, managing listed and unlisted real estate investment trusts (REITs) and private funds in real estate, infrastructure and credit across 28 countries. As part of its investor-operator philosophy, the Group also operates a real estate management services division with local teams to manage its assets worldwide.

ARA’s multi-platform, multi-product global fund management business is driven by dedicated teams with in-depth market knowledge and local expertise in all countries where it operates and invests. The Group strives to work sustainably, is mindful of its impact on the environment, and aims to leverage technology to work smart and achieve better outcomes for its stakeholders. Built on a foundation of strong corporate governance and business integrity, ARA manages funds on behalf of many of the world’s largest pension funds, sovereign wealth funds and financial institutions.

For more information on ARA and LOGOS, please visit <https://www.ara-group.com> and <https://www.logosproperty.com>.

¹ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of ALOG and the Manager is not necessarily indicative of the future performance of ALOG and the Manager. This announcement may contain forward-looking statements that involve risks and uncertainties. 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.

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

Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders 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.