

**Press Release**

## **ARA LOGOS Logistics Trust Partners HSBC Singapore on its Inaugural Sustainability-Linked Interest Rate Swap**

- *Close collaboration between ALOG and HSBC to design a bespoke green interest rate swap to support ALOG's commitment to meet its green targets*
- *Bespoke structure aligns economic terms to specific ESG KPIs*
- *HSBC's first ESG Swap in Singapore*

**Singapore, 21 July 2021** - ARA LOGOS Logistics Trust Management Limited, the manager (the “**Manager**”), of ARA LOGOS Logistics Trust (“**ALOG**”) is pleased to announce that ALOG has entered into its first S\$80 million sustainability-linked interest rate swap (“**IRS**”) with The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (“**HSBC Singapore**”). The IRS will be utilised to hedge the interest rate risk of ALOG's borrowings.

ALOG and HSBC Singapore partnered to create a bespoke structure to determine the green targets and measure progress against these targets. This is the first sustainability-linked derivative product that offers direct ESG-linked incentives to be dealt by HSBC Singapore and marks a further step in its continued role in developing the sustainable financial market in Singapore.

This IRS' economic terms are directly linked to two specific green targets that are in line with ALOG's commitment to manage environmental impacts:

- 1) the progressive reduction of carbon emission intensity of the multi-tenanted buildings within ALOG's Singapore portfolio; and
- 2) the increased usage of renewable energy annually by a pre-determined figure.

On obtaining the sustainability-linked IRS, Ms Karen Lee, Chief Executive Officer of the Manager, commented, “Being part of the LOGOS Group, ALOG shares the same vision and commitment as its Sponsor towards investing in sustainable solutions. With sustainability integrated as part of ALOG's long-term business strategy, green financing complements our ongoing efforts to proactively manage the environmental impacts of our business. We are committed to strengthen our green funding sources by collaborating with like-minded business partners such as HSBC, who share a collective commitment with us to work towards building a greener future.”

Joanna Lee, Managing Director, Head of Corporate Sales, Markets & Securities Services, HSBC Singapore: “We are proud to have worked with ALOG in this ESG-linked derivative transaction. This marks the first such transaction for both ALOG and HSBC Singapore. By linking the IRS to long-term ESG targets, we have created a bespoke structure which includes direct, measurable incentives for ALOG to achieve its



sustainability targets. The product marks another step in our ambition to provide a much wider range of sustainable financial products to support clients in improving their ESG performance.”

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## 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 30 April 2021, ALOG’s portfolio comprises 31 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 1.1 million square metres valued at approximately S\$1.6 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 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 the largest real assets manager in Asia Pacific with S\$116 billion<sup>(1)</sup> in gross assets under management. ARA Group operates a multi-product platform diversified across assets, strategies and geographies in both public and private markets, managing real estate investment trusts (REITs) and private funds in real estate, infrastructure and credit globally. ARA’s vertically-integrated business includes development and value-add asset management capabilities, an in-house capital raising team, and property management expertise in local markets where ARA invests and manages assets. With a resolute focus on creating sustainable value, 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>.

## ABOUT THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,956bn at 30 September 2020, HSBC is one of the world’s largest banking and financial services organisations.

For more information on HSBC, please visit <https://www.about.hsbc.com.sg/>.

## IMPORTANT NOTICE

The value of units in ALOG (“**Units**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA LOGOS Logistics Trust Management Limited (as the manager of ALOG) (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of ALOG is not necessarily indicative of the future performance of ALOG.

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<sup>1</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies (“**ARA Group**”) and its Associates as at 31 December 2020.