



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 ALOG CHANGI DISTRICT CENTRE 2 IN SINGAPORE

1. INTRODUCTION

1.1 Proposed Divestment of ALOG Changi District Centre 2 (“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 22 April 2021 entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with an unrelated third party purchaser, PGI Holdings Pte Ltd (the “**Purchaser**”), pursuant to which the Trustee has agreed to sell, and the Purchaser has agreed to purchase, a leasehold interest in respect of the property located at 3 Changi South Street 3, Singapore (the “**Property**”), subject to the terms and conditions set out in the Sale and Purchase Agreement, including the approval by JTC Corporation (“**JTC**”) of the Proposed Divestment.

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 1998 and was part of ALOG’s initial public offering portfolio. The Property comprises a three-storey cargo lift warehouse with an adjoining four-storey office block. The Property has an initial leasehold term of 30 years commencing from 16 February 1996 together with a covenant by JTC to grant a further term of 30 years commencing on the date immediately following the expiration of the initial leasehold term. The Property has a total land area of 65,767 square feet (“**sq ft**”) with a gross floor area of 111,359 sq ft.

2. DETAILS OF THE PROPOSED DIVESTMENT

The sale consideration for the Proposed Divestment is S\$16.7 million (“**Proposed Sale Consideration**”), which was agreed on a willing buyer willing seller basis, after taking into account the independent valuation of the Property.

The Property was valued by CBRE Pte. Ltd. (the “**Independent Valuer**”) at S\$15.5 million (“**Valuation**”) as at 31 December 2020, using the Income Capitalisation Method, Discounted Cash Flow (DCF) Analysis and Comparison Method.

The Proposed Sale Consideration is approximately 7.7% above the Valuation.

Completion of the sale of the Property is subject to JTC's approval and is expected to take place in the second quarter of 2021.

In accordance with the trust deed constituting ALOG dated 11 February 2010 (as amended) (the "**Trust Deed**"), the Manager is entitled to a divestment fee of approximately S\$0.08 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 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. 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 S\$16.3 million and ALOG is expected to recognise an estimated divestment gain of approximately S\$0.8 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. 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.

6. OTHER INFORMATION

6.1 Classification of Proposed Divestment

The Proposed Divestment is classified as a non-discloseable transaction under Chapter 10 of the Listing Manual.

6.2 Documents Available for Inspection

Copies of the Sale and Purchase Agreement and the Independent Valuer's report are

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

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 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

22 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 December 2020, 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 7.3 million sqm of property owned and under development, and a completed asset under management (“**AUM**”) of S\$14.4 billion across 24 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.