

CIRCULAR DATED 25 FEBRUARY 2022



(A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

Managed by
ESR Funds Management (S) Limited
(Company Registration No.: 200512804G)
(Capital Markets Services Licence No.: CMS 100132)

CIRCULAR TO UNITHOLDERS IN RELATION TO:

1

Proposed Merger (the “Merger”) with ARA LOGOS Logistics Trust (“ALOG”)

2

Proposed issue of ESR-REIT Units as part of the consideration for the Merger

Unless otherwise requested, no printed copies of this Circular will be despatched to ESR-REIT Unitholders



Scan QR code to access
Notice of EGM and Proxy Form

Financial Advisers in relation to the Merger



Independent Financial Adviser in relation to the Merger



YOUR VOTE COUNTS

Please vote by proxy only

IMPORTANT DATES AND TIMES

Latest Date and Time to Pre-register Online to Attend the EGM 18 March 2022
10.00 a.m.

Latest Date and Time for Lodgement of Proxy Form 18 March 2022
10.00 a.m.

Date and Time of the EGM 21 March 2022
10.00 a.m.

The EGM will be held only by way of electronic means.

Due to the current COVID-19 restriction orders in Singapore, ESR-REIT Unitholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow ESR-REIT Unitholders to participate in the EGM by (a) observing and/or listening to the EGM proceedings via the live audio-visual webcast/live audio-only stream; (b) posing questions “live” at the Virtual Meeting during the live audio-visual webcast. ESR-REIT Unitholders are strongly encouraged to submit questions in advance of the EGM; and (c) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM. Please refer to paragraph 23 of the Letter to ESR-REIT Unitholders, the Notice of EGM and the Proxy Form for further information, including the steps to be taken by ESR-REIT Unitholders to participate in the EGM.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ CAREFULLY.

All capitalised terms shall, if not otherwise defined, have the same meaning as ascribed to them in this Circular.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all or any of your ESR-REIT Units, you should immediately inform the purchaser or the agent through whom the sale was effected for onward notification to the purchaser that this Circular together with the Notice of EGM and the accompanying Proxy Form may be accessed via SGXNET.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions contained in this Circular.

WHAT IS THE BACKGROUND OF THE MERGER?

1

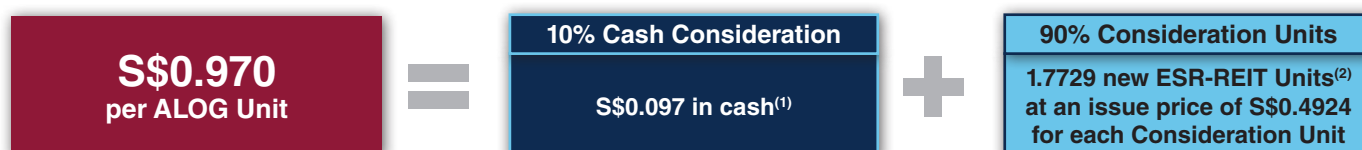
What has happened?

On 15 October 2021, the managers of ESR-REIT and ALOG issued a joint announcement on the Merger by way of a trust scheme of arrangement.

On 22 January 2022, the managers of ESR-REIT and ALOG issued a joint announcement in relation to the revision of the Scheme Consideration payable pursuant to the Merger.



Revised Scheme Consideration of approximately S\$1.4 billion shall be satisfied as follows:



Based on the issue price of S\$0.4924 per Consideration Unit and the Cash Consideration of S\$0.097 per ALOG Unit, the aggregate Scheme Consideration is approximately S\$1.4 billion (implied gross exchange ratio of 1.970x⁽³⁾ is derived from the revised Scheme Consideration of S\$0.970 per ALOG Unit)

Notes: (1) The aggregate Cash Consideration to be paid to each ALOG Unitholder shall be rounded to the nearest S\$0.01. (2) No fractions of a Consideration Unit shall be allotted and issued to any ALOG Unitholder and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be allotted and issued to any ALOG Unitholder pursuant to the Scheme. (3) The gross exchange ratio of 1.970x is derived by dividing the revised Scheme Consideration of S\$0.970 for each ALOG Unit by the issue price of S\$0.4924 for each new ESR-REIT Unit.

2

What has changed?

	Scheme Consideration as at 15 October 2021	Revised Scheme Consideration as at 22 January 2022
A Scheme Consideration per ALOG Unit	S\$0.950 (90% ESR-REIT Units issued at S\$0.510 and 10% cash)	S\$0.970 (90% ESR-REIT Units issued at S\$0.4924 and 10% cash)
B Aggregate Scheme Consideration	S\$1.4bn	S\$1.4bn
C Implied Gross Exchange Ratio	1.863x	1.970x
D Financial Metrics	DPU accretion +5.8%⁽¹⁾ Gearing 42.1%⁽¹⁾	DPU accretion +4.7%⁽¹⁾⁽²⁾ Gearing 42.1%⁽¹⁾

Key Points

- ✓ **Attractive issue price of S\$0.4924**
 - Revision based on the ESR-REIT Manager's assessment of **ESR-REIT Unit price performance over the last six (6) months up to 14 October 2021 and brokers' / investment research houses' average target price consensus**
 - Issue price represents **P/NAV of 1.22x⁽³⁾** (while the revised Scheme Consideration for ALOG represents **P/NAV of 1.40x⁽⁴⁾**)
 - **5.6%, 4.5%, 5.0%, and 10.1% premium** to the last one (1)-day VWAP⁽⁵⁾, one (1)-month VWAP, three (3)-month VWAP, and six (6)-month VWAP respectively
- ✓ **Minimal increase** in total Scheme Consideration with funding mix at 90% in ESR-REIT Units and 10% in cash
- ✓ **Implied Gross Exchange Ratio ("GER") of 1.970x is within 1.948x – 1.992x** based on the last close price⁽⁵⁾, one (1)-month VWAP, three (3)-month VWAP, and six (6)-month VWAP of ESR-REIT and ALOG, respectively

Historical Gross Exchange Ratio Reference Period	VWAP (\$S)		Implied Gross Exchange Ratio	Implied Premium / (Discount) to Gross Exchange Ratio (%) ⁽⁸⁾
	ESR-REIT	ALOG		
For Periods up to and including 14 October 2021 ⁽⁷⁾				
14 October 2021	0.466	0.929	1.992x	(1.1)
1 month	0.471	0.928	1.969x	0.1
3 months	0.469	0.914	1.948x	1.1
6 months	0.467	0.876	1.960x	0.5

- ✓ Merger is **4.7% DPU accretive** with no increase in pro forma gearing
- ✓ With the revised Scheme Consideration, ESR-REIT Unitholders' unitholdings in the enlarged REIT will be diluted by 39.3%⁽⁸⁾ (an increase of 1.3% from 38.0%⁽⁹⁾ unitholding dilution based on the original Scheme Consideration)

Source: FactSet as of 14 October 2021.

Note: VWAP refers to volume weighted average price. (1) Based on FY2020 pro forma financials. (2) Refer to Schedule 1 of the Revised Acquisition Announcement for more details on the pro forma assumptions. (3) ESR-REIT's pro forma NAV of S\$0.4026 per unit as at 31 December 2020. (4) ALOG's pro forma NAV of S\$0.6921 per unit as at 31 December 2020. (5) Being the last full trading day prior to the date of the Joint Announcement on 15 October 2021. (6) Refers to the premium of the exchange ratio to the implied exchange ratio based on the respective VWAP for each period. (7) Periods analysed are as follows – (a) Closing price as at 14 October 2021; (b) the period of one (1) month from 15 September 2021 up to 14 October 2021 (both dates inclusive); (c) the period of three (3) months from 15 July 2021 up to 14 October 2021 (both dates inclusive); and (d) the period of six (6) months from 15 April 2021 up to 14 October 2021 (both dates inclusive). (8) Based on approximately 6,637.9 million ESR-LOGOS REIT units. (9) Based on approximately 6,496.6 million ESR-LOGOS REIT units.

RATIONALE FOR THE REVISED SCHEME CONSIDERATION

1



The growth potential of ESR-REIT and ALOG likely to be negatively impacted if conflicts of interest arising between ESR-REIT and ALOG from a common sponsor are not resolved

- The ESR Group is now an indirect majority controlling shareholder of the LOGOS Group, after the Proposed ARA Acquisition was completed on 20 January 2022
- Both ESR-REIT and ALOG now share a common sponsor, and have overlapping mandates which will inevitably give rise to conflicts of interest which may negatively impact both REITs' growth potential

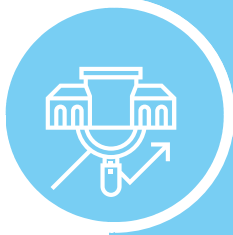
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Proxy Advisers recommended that ALOG Unitholders vote against the Scheme based on the original Scheme terms

- Takes into account the views of the proxy advisers that the original terms of the Scheme were not compelling for ALOG Unitholders and most of the benefits of the Merger will accrue to ESR-REIT Unitholders
- Revised Scheme Consideration provides for a balance for both ALOG Unitholders and ESR-REIT Unitholders

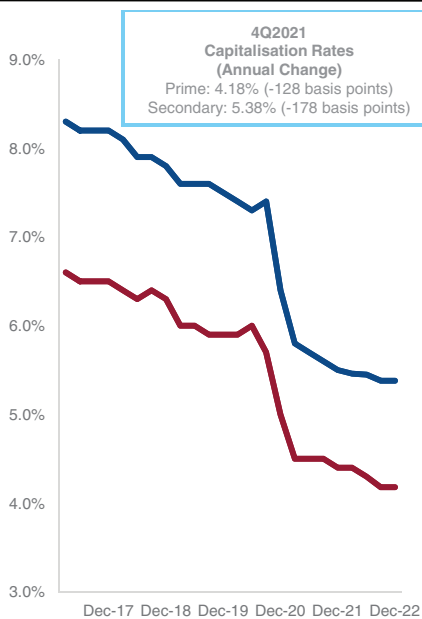
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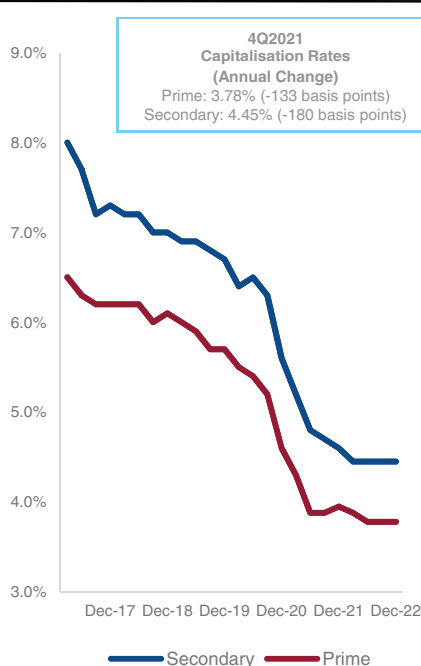
Compression of capitalisation rates for Australia industrial / logistics properties due to strong underlying fundamentals

- Strong underlying fundamentals of the Australia industrial / logistics sector have led to capital appreciation through the compression in capitalisation rates of 4Q2021

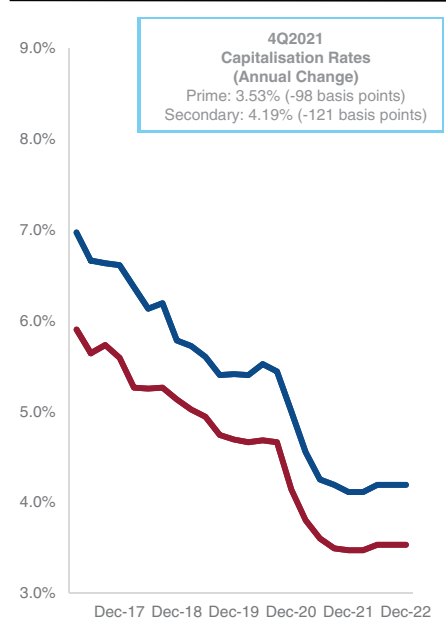
Brisbane Industrial Yields by Grades



Melbourne Industrial Yields by Grades



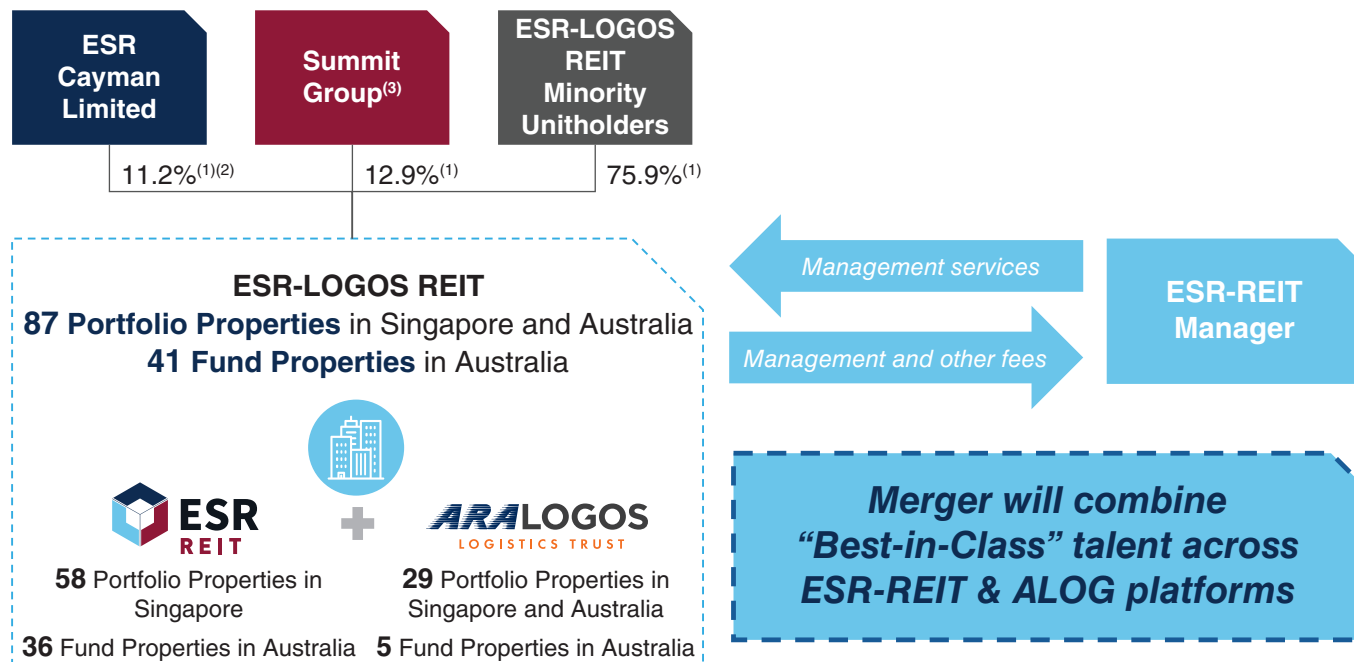
Sydney Industrial Yields by Grades



Source: Colliers Research.

HOW WILL ESR-LOGOS REIT LOOK LIKE?

ESR-LOGOS REIT's Future Growth will be Well-Supported by the ESR Group...



Notes: Unless otherwise stated, all references to ESR-LOGOS REIT, ESR-REIT and ALOG portfolio metrics in this Circular are as at 30 June 2021 and have not been adjusted for ESR-REIT's divestments of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East which were completed on 30 November 2021, and 28 Senoko Drive, which was completed on 14 January 2022, and ALOG's acquisition of 21 Curlew Street, Queensland, Australia (the "Heron Property"), which was completed on 11 January 2022. (1) Illustrative pro forma unitholding structure based on latest available information as at 18 February 2022, based on a gross exchange ratio of 1.970x. The gross exchange ratio of 1.970x was derived by dividing the revised Scheme Consideration of S\$0.970 for each ALOG Unit by the issue price of S\$0.4924 for each new ESR-REIT Unit. (2) Comprises deemed interests held through holding entities. (3) Refers to Mr. Tong Jinqian and his associates.

... Creating a Leading New Economy and Future-Ready APAC S-REIT with Transformational Scale



Increased Relevance, Competitive Cost of Capital & Enhanced Diversification

Leading New Economy Developer/Sponsor

Accelerate Pivot into New Economy

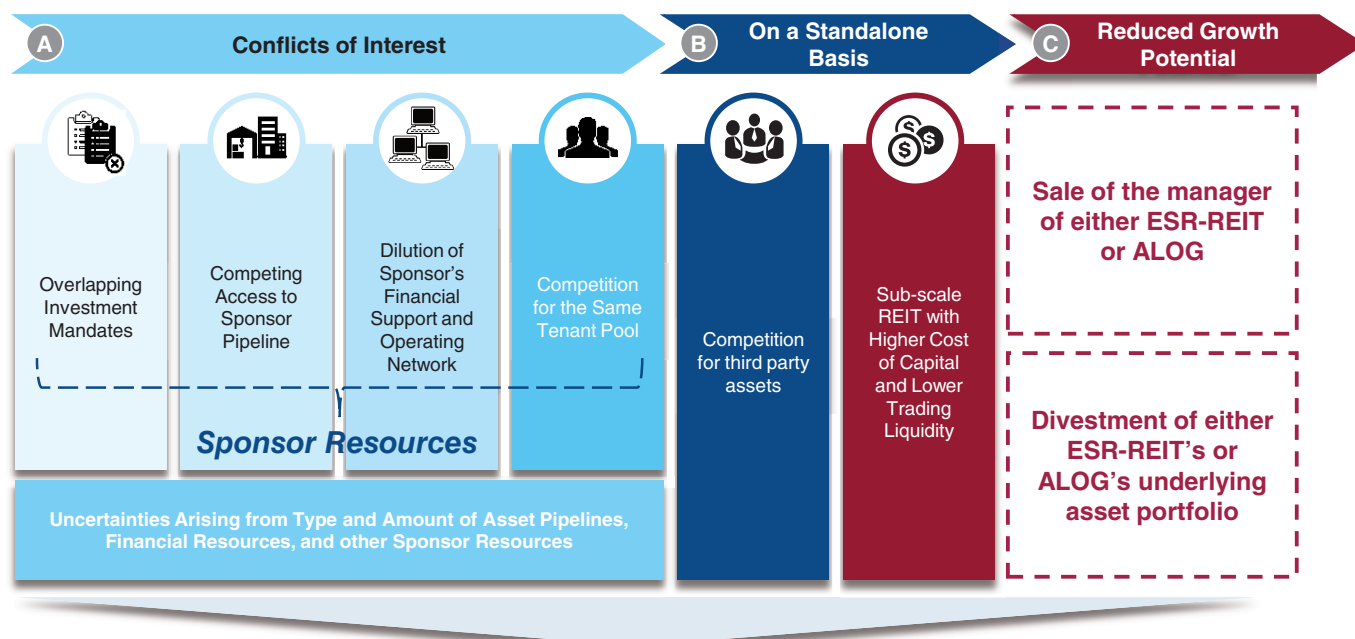
Enhanced Resilience

Notes: Unless stated otherwise, all references to ESR-LOGOS REIT, ESR-REIT and ALOG portfolio metrics in this Circular are as at 30 June 2021 and have not been adjusted for ESR-REIT's divestments of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East which were completed on 30 November 2021, and 28 Senoko Drive, which was completed on 14 January 2022, and ALOG's acquisition of the Heron Property, which was completed on 11 January 2022. (1) Based on free float market capitalisation. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit. (2) Based on reported total assets as of 30 June 2021. (3) Based on GRI for the month of June 2021. Excludes contribution from Fund Properties. (4) Based on occupied area over net leasable area as at 30 June 2021. Excludes contributions from Fund Properties. (5) Based on valuation as at 30 June 2021. Excludes contributions from Fund Properties. Assumes that freehold land has an equivalent land lease tenure of 99 years. Australia's industrial properties are generally freehold in nature or have longer lease tenure as compared to Singapore industrial properties on JTC land, which generally have a tenure of 30 years or less and for older assets, a tenure of less than 60 years. (6) Based on valuation as at 30 June 2021. Excludes contributions from Fund Properties. Assumes that freehold land has an equivalent land lease tenure of 99 years.

WHY SHOULD ESR-REIT MERGE WITH ALOG?

1 The Merger will Resolve Conflicts of Interest Arising from a Common Sponsor

Growth potential of ESR-REIT and ALOG likely to be negatively impacted if conflicts of interest are not resolved

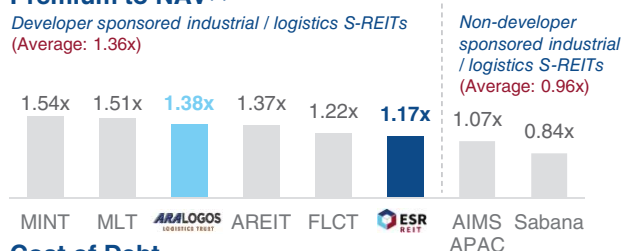


Potential Consequences if the Merger Does Not Go Through

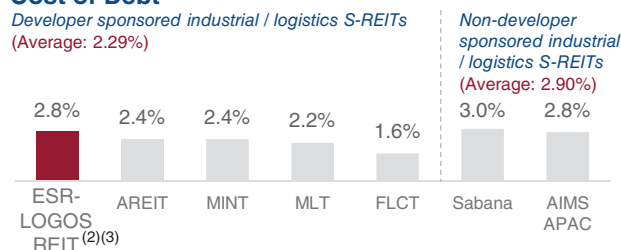
A Sale of the manager of either ESR-REIT or ALOG

Impact: Either REIT will potentially lose its "halo" effect and its current premium to net asset value if the ESR Group divests its manager as the asset pipelines, tenant and operational network and financial resources of the Sponsor (the "Sponsor Resources") will no longer be available; also triggering change in control provisions in either REIT's existing debt facilities with no guarantee that the new financing terms will be more favourable

Premium to NAV⁽¹⁾



Cost of Debt



Developer sponsored industrial / logistics S-REITs enjoy (1) a higher premium to NAV and (2) lower cost of debt

B Divestment of either ESR-REIT's or ALOG's underlying asset portfolio

Impact: Both REITs might not be able to maximise unitholder value

- ESR-REIT trades at a c.20%⁽⁴⁾ premium to its NAV and subsequent asset divestments may not achieve such a premium
- Associated costs and financing constraints may limit the purchase consideration offered by potential acquirers
- Limited buyer pool given the highly-regulated nature of the Singapore industrial market
- Non-sale moratoriums for certain assets will result in an incomplete portfolio sale, putting ESR-REIT in a weaker position

Source: FactSet, Company filings as of 30 September 2021.

Notes: (1) Based on closing price as of 14 October 2021 and NAV as of 30 September 2021. (2) Unsecured banking facilities at an approximate all-in interest cost of 2.25% provided by DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch. (3) Includes new debt to finance the Cash Consideration payable under the Scheme, the refinancing of ALOG's existing debt, derivative liabilities, upfront land premium, stamp duty, estimated professional and other fees and expenses relating to the Merger. (4) With reference to ESR-REIT's closing price of S\$0.465, one (1)-month VWAP of S\$0.471 and three (3)-month VWAP of S\$0.469, as of the last full trading day immediately prior to the Joint Announcement Date, and the NAV per ESR-REIT Unit of S\$0.398 as of 30 September 2021.

WHY SHOULD ESR-REIT MERGE WITH ALOG?

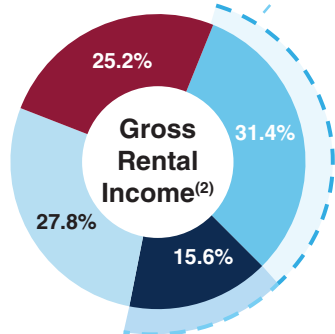
2 Focused on Sustainable In-Demand New Economy⁽¹⁾ Real Estate

2a) Significantly Increased Exposure to In-Demand New Economy⁽¹⁾ Real Estate

Before the Merger

High-Specs Industrial and Logistics / Warehouse:

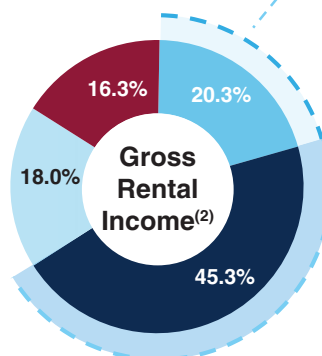
c.47.0%



After the Merger⁽³⁾

High-Specs Industrial and Logistics / Warehouse:

c.65.7%



● Business Park ● High-Specs ● Logistics/Warehouse ● General Industrial

ESR-LOGOS REIT Benefits From Increased Product Offering to “In-Demand” Sectors such as Logistics, High-Specs and Cold Storage

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2b) Increased Strategic Presence In Australia's Attractive Logistics Market

	ESR REIT	ARALOGOS LOGISTICS TRUST	ESR-LOGOS REIT
No. of Portfolio Properties⁽¹⁾	-	20	20
No. of Fund Properties⁽¹⁾	36 <ul style="list-style-type: none"> 10% stake in ESR Australia Logistics Partnership⁽²⁾ 	5 <ul style="list-style-type: none"> 49.5% stake in New LAIVS Trust⁽³⁾ 40.0% stake in Oxford Property Fund⁽⁴⁾ 	41
Presence in Australia	<ul style="list-style-type: none"> New South Wales Victoria Queensland South Australia 	<ul style="list-style-type: none"> New South Wales Victoria Queensland 	<ul style="list-style-type: none"> New South Wales Victoria Queensland South Australia

Increase in Number of Properties and Presence Across Key Logistics Hubs in Australia, Further Deepening ESR-LOGOS REIT's Strategic Network

Notes: (1) Data as at 30 June 2021 unless otherwise stated. (2) Comprises 32 income-producing assets, two (2) development properties and two (2) land parcels as at 1 October 2021. The 32 income-producing assets include 450 Sherbrooke Road, Phase 2, Queensland which was completed as at 30 September 2021 but exclude 164-166 Newton Road, Wetherill Park, New South Wales and 7 Modal Crescent, Canning Vale, Western Australia which were divested on 17 August 2021 and 1 October 2021, respectively. (3) Comprises four (4) assets in Australia. (4) Comprises one (1) asset in Australia.

WHY SHOULD ESR-REIT MERGE WITH ALOG?

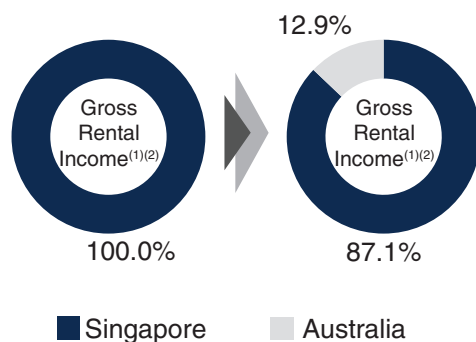
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**Size Increasingly Matters:
Larger Size Raises Profile, Increases Liquidity and Enhances Quality**

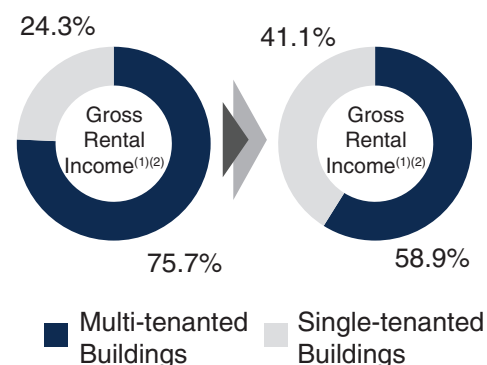
3a) Lower Portfolio Risks with Increased Diversification

Income Diversification

Increased Geographical Diversification

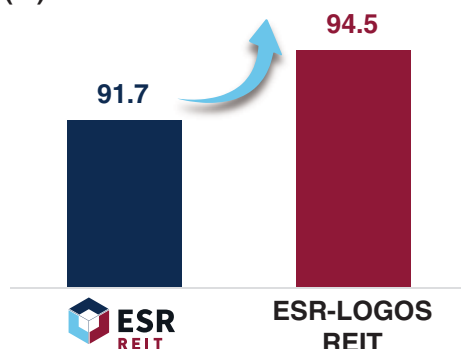


Balanced Income Profile

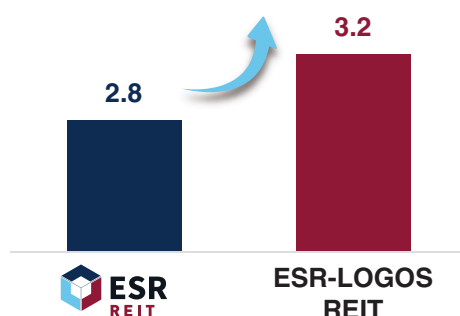


Increased Income Stability

Higher Portfolio Occupancy⁽¹⁾⁽³⁾ (%)

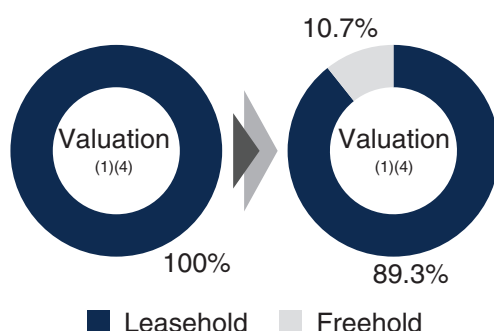


Longer Weighted Average Lease Expiry⁽¹⁾⁽²⁾ (Years)



Resilient Portfolio

Higher Proportion of Freehold Properties



Extend Land Lease Expiry Profile⁽¹⁾⁽⁴⁾ (Years)



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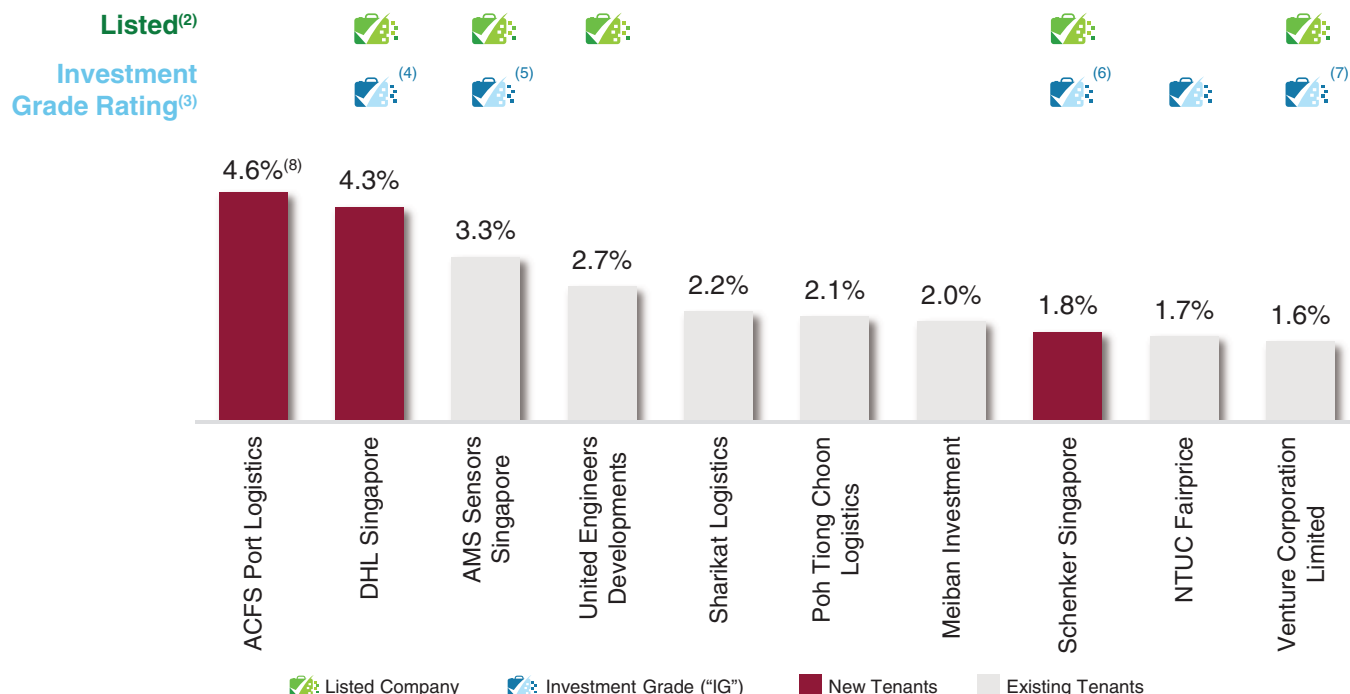
WHY SHOULD ESR-REIT MERGE WITH ALOG?

3

**Size Increasingly Matters:
Larger Size Raises Profile, Increases Liquidity and Enhances Quality**

3b) Improved Tenant Quality...

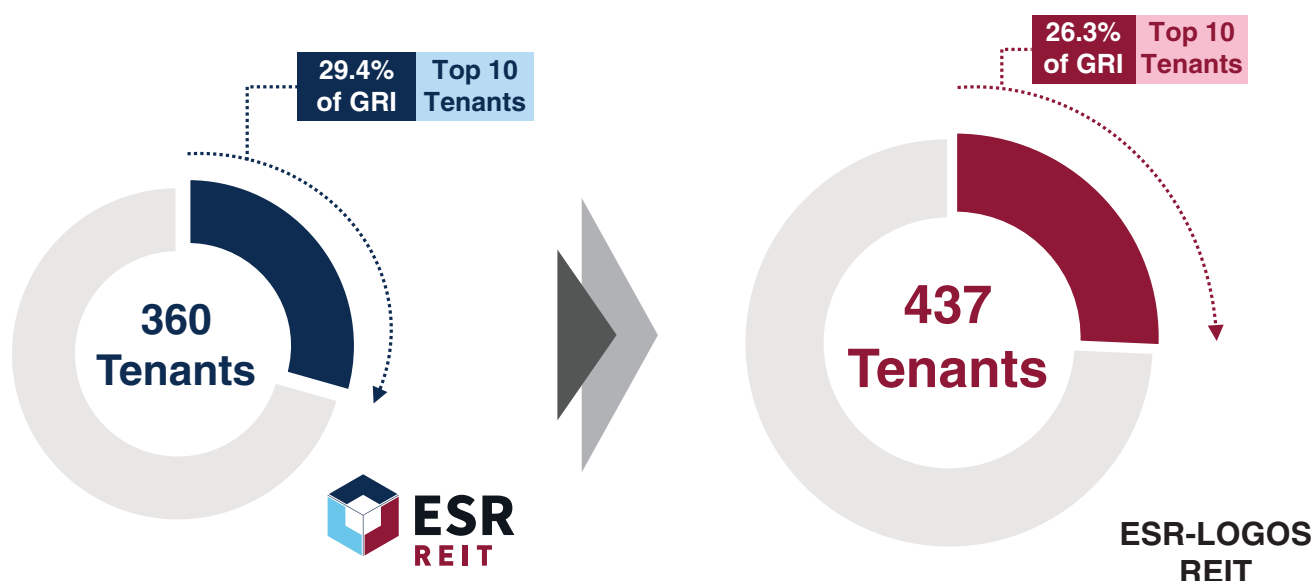
Top 10 ESR-LOGOS REIT Tenants by Rental Income⁽¹⁾



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... and Reduced Concentration Risk

Number of Tenants⁽¹⁾



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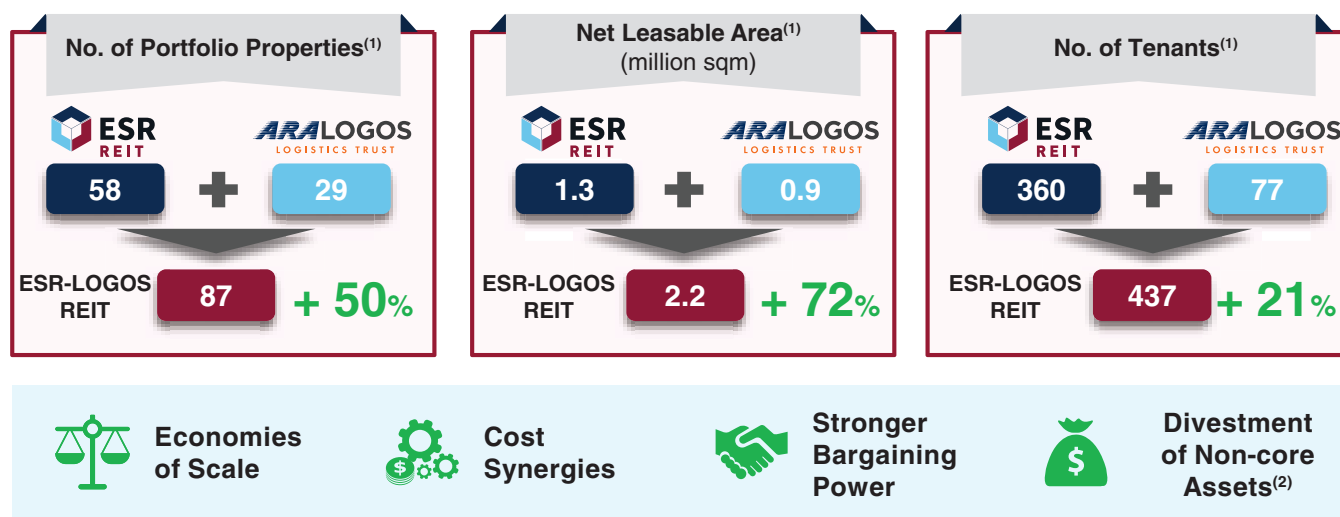
WHY SHOULD ESR-REIT MERGE WITH ALOG?

3

**Size Increasingly Matters:
Larger Size Raises Profile, Increases Liquidity and Enhances Quality**

3c) Opportunities for Operational Synergies & Portfolio Optimisation

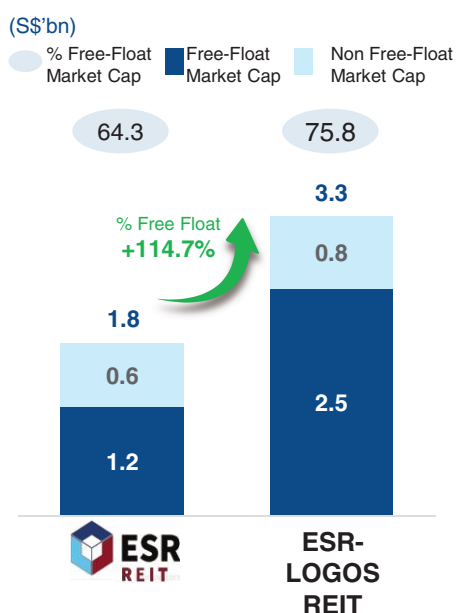
Enhanced size and scale will bring about opportunities for operational synergies and portfolio optimisation potential



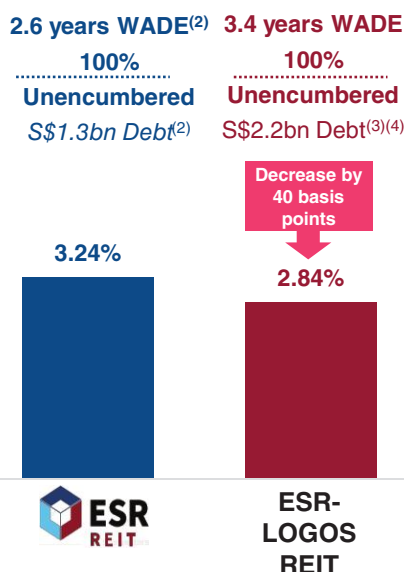
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3d) Lead to More Competitive Costs of Capital

Larger Free Float Market Capitalisation⁽¹⁾



Competitive Cost of Debt & Enhanced Capital Structure



Increase in Scale Has Proven to Deliver Significant Benefits in Cost of Capital

- 1 Lower cost of loan financing with loan margins compressing c.59 basis points to 1.40% (from 1.99% pre-Viva Industrial Trust merger)
- 2 Lower cost of bond financing with bond interest rates compressing c.135 basis points to 2.60% (from 3.95% pre-Viva Industrial Trust merger)
- 3 Intention to seek a credit rating post Merger and larger size puts ESR-LOGOS REIT in a strong position to obtain investment grade rating

Notes: (1) Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-REIT's free float of S\$1.2 billion is computed based on 2,594 million free float ESR-REIT Units multiplied by the closing price of the ESR-REIT Units on 18 February 2022, being the Latest Practicable Date, of S\$0.445. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit. Any discrepancies in aggregated figures are due to rounding. (2) As at 30 June 2021. (3) Unsecured banking facilities at an approximate all-in interest cost of 2.25% provided by DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch. (4) Includes the new debt facilities to finance the Cash Consideration payable under the Scheme, the refinancing of ALOG's existing debt, derivative liabilities, upfront land premium, stamp duty, estimated professional and other fees and expenses relating to the Merger.

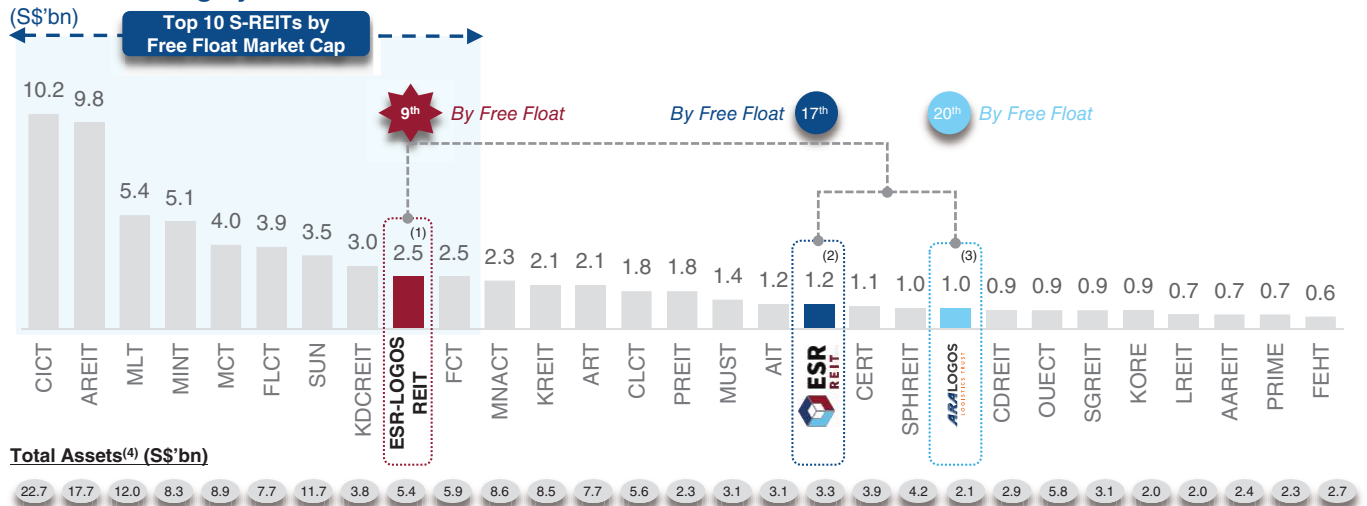
WHY SHOULD ESR-REIT MERGE WITH ALOG?

4

Transformational Scale and Unrivalled Access to Leading Sponsor's Pipeline / Network

4a) Creating a Top 10 Future-Ready APAC S-REIT Sponsored by the ESR Group

S-REIT Ranking by Free Float



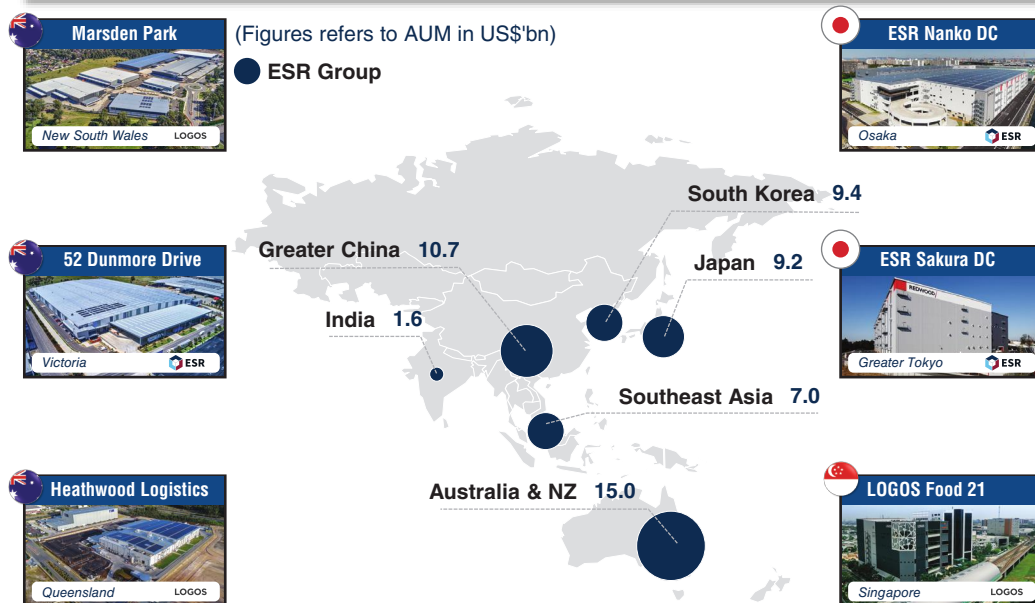
Source: FactSet as of 18 February 2022 unless stated otherwise.

Notes: (1) Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit. (2) Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. ESR-REIT's free float of S\$1.2 billion is computed based on free float ESR-REIT Units of 2,594 million ESR-REIT Units multiplied by the closing price of the ESR-REIT Units on 18 February 2022, being the Latest Practicable Date, of S\$0.445. (3) Free float excludes ALOG Units held by the joint sponsors, LOGOS Group and ARA, the ALOG Manager, the directors of the ALOG Manager, other substantial ALOG Unitholders and their respective associates. ALOG's free float of S\$1.0 billion is computed based on free float ALOG Units of 1,134 million multiplied by the closing price of ALOG Units on 18 February 2022, being the Latest Practicable Date, of S\$0.860. (4) Based on latest publicly available data as of 18 February 2022.

4b) Leverage the ESR Group's Financial Strength & Operating Platform to Grow

An initial pipeline of approximately US\$2 billion of visible and executable Asia Pacific New Economy assets available from the ESR Group will accelerate ESR-LOGOS REIT's growth as a leading Future-Ready APAC S-REIT

ESR-LOGOS REIT Continues to Leverage the ESR Group's Strengths



- 1 Owner-operator with logistics DNA
- 2 Integrated business model across owner, developer, operator, asset & investment management
- 3 Leverage presence and expertise in new markets to de-risk entry, plus access to tenant networks
- 4 Continued strong capital support and financial commitment, e.g. backstop preferential offering

Source: Sponsor information

WHY SHOULD ESR-REIT MERGE WITH ALOG?

4

Transformational Scale and Unrivalled Access to Leading Sponsor's Pipeline / Network

4c) The Largest New Economy Pipeline to Supercharge Growth

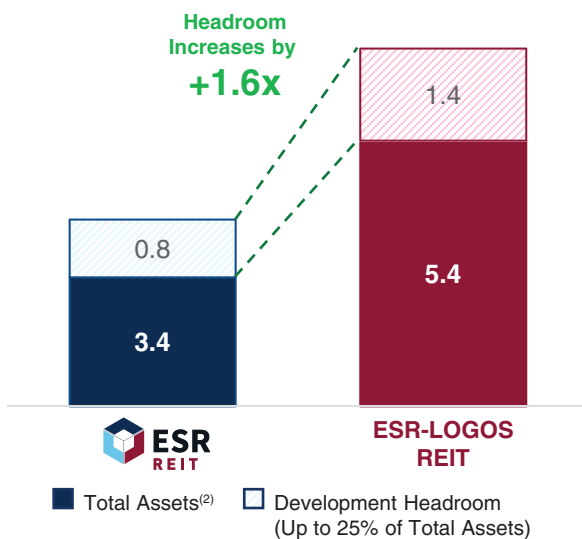


Source: Sponsor information

Notes: (1) ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of associates) as of 31 December 2021. Peer data includes AUM from funds only. (2) ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of associates) as of 31 December 2021; Peer AUM data based on company filings (GLP as of 31 December 2020; Goodman and Prologis as of 30 June 2021). (3) ESR Group's data as at 30 June 2021; Peer data based on company filings.

4d) Provide Greater Access to Growth Opportunities

Development Headroom⁽¹⁾ (S\$'bn)



ESR-LOGOS REIT Has Greater Capacity & Flexibility To

- 1 Explore opportunities to participate in development projects; potentially with the ESR Group
- 2 Undertake development and AEI to unlock value from unutilised GFA
- 3 Execute AEIs without materially adversely affecting earnings performance
- 4 Larger tenant base optimises unutilised GFA and reduces leasing risks
- 5 Access to lower cost of capital enhances returns on AEIs and/or redevelopments

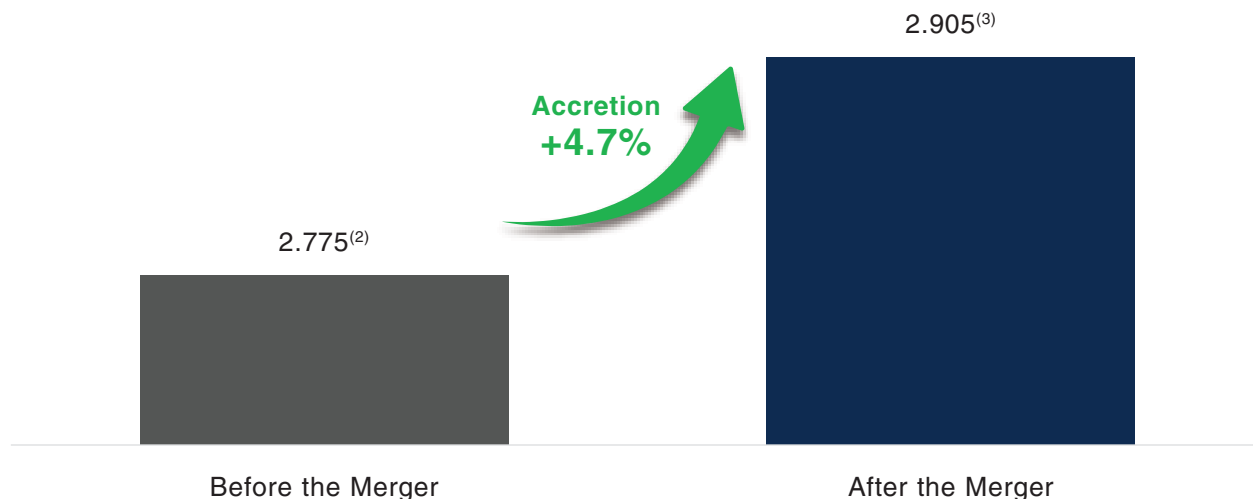
Notes: (1) Development headroom of up to 25% of the total assets of ESR-LOGOS REIT. Total assets are taken as a close proxy for deposited property value. 25% development limit is subject to approval. (2) Based on reported total assets as of 30 June 2021.

WHY SHOULD ESR-REIT MERGE WITH ALOG?

5 DPU Accretive Transaction for ESR-REIT Unitholders on a Pro Forma Basis

Distribution per Unit⁽¹⁾
(Singapore Cents)

FOR ILLUSTRATIVE PURPOSES ONLY – NOT A FORWARD LOOKING PROJECTION



Notes: (1) Assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, and the ALOG EFR were completed on 1 January 2020. (2) After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments and ESR-REIT EFR. Based on approximately 3,933.5 million ESR-REIT Units for the period from 1 January 2020 to 31 December 2020. (3) After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR and the Merger. Based on approximately 6,540.5 million ESR-REIT Units for the period from 1 January 2020 to 31 December 2020. Refer to Schedule 1 of the Revised Acquisition Announcement for more details on the pro forma assumptions.

5 Further Propel ESG Offerings with Reinforced Commitment

Green Initiatives and ESG Efforts

Reducing Our Carbon Footprint	On-going Solar Harvesting Programme with nine (9) properties in Singapore installed with solar panels Over 21,000 solar panels installed across rooftops of three (3) warehouses, one of the largest combined rooftop solar generation facility in Singapore
Green Financing	Launched inaugural bespoke S\$80m green interest rate swap tagged to committed green targets
Community Support	Partnered with Kidzcare@KCC (Kembangan-Chai Chee Constituency) to provide a tuition centre and tutors for disadvantaged youths at ESR Bizpark @ Chai Chee
Disclosure & Commitments	Committed to achieve Green Mark certifications for all buildings that undergo AEI and provided enhanced ESG disclosures with first GRESB assessment Committed directly controlled Singapore properties to net zero carbon by 2030 and provided enhanced ESG disclosures with first GRESB assessment
Governance	Strong board and management diversity including female representation across the board and senior management Uphold high standards of corporate governance to ensure the REIT is aligned with best practices and is responsive to change

WHAT DOES THE INDEPENDENT FINANCIAL ADVISER RECOMMEND?

An extract of the IFA Letter is reproduced below:

“Taking into account [the factors set out in the IFA Letter], and subject to the assumptions and qualifications [set out in the IFA Letter] and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that: The Merger is on **normal commercial terms** and **is not prejudicial** to the interests of ESR-REIT and its minority unitholders. Accordingly, we advise that the ARCC and the ESR-REIT Recommending Directors recommend that the ESR-REIT Unitholders **VOTE IN FAVOUR** of resolutions relating to the Merger;”



INDEPENDENT FINANCIAL ADVISER TO THE AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE OF THE ESR-REIT MANAGER AND ESR-REIT RECOMMENDING DIRECTORS

IT IS IMPORTANT THAT YOU READ THE ABOVE IN CONJUNCTION WITH THE FULL TEXT AND CONTEXT OF THE CIRCULAR AND THE IFA LETTER, WHICH CAN BE FOUND IN APPENDIX A TO THE CIRCULAR. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE OPINION OF THE IFA.

WHAT DO THE DIRECTORS RECOMMEND?

The ESR-REIT Recommending Directors (which, for the avoidance of doubt, excludes Mr. Philip John Pearce, Mr. Jeffrey David Perlman and Mr. Tong Jinquan) have considered the relevant factors, including the terms of the Merger and the rationale for the Merger, as well as the IFA's opinion as set out in the IFA Letter in **Appendix A** to this Circular, and recommend that the Independent ESR-REIT Unitholders **VOTE IN FAVOUR** of Resolution 1, the Ordinary Resolution relating to the Merger, and Resolution 2, the Ordinary Resolution relating to the proposed issue of new ESR-REIT Units to the ALOG Unitholders at an issue price of S\$0.4924 for each ESR-REIT Unit as part of the consideration for the Merger.



ESR-REIT RECOMMENDING DIRECTORS

IT IS IMPORTANT THAT YOU READ THE ABOVE IN CONJUNCTION WITH THE FULL TEXT AND CONTEXT OF THE CIRCULAR AND THE IFA LETTER, WHICH CAN BE FOUND IN APPENDIX A TO THE CIRCULAR. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE RECOMMENDATIONS OF THE ESR-REIT RECOMMENDING DIRECTORS.

WHAT MUST HAPPEN FOR THE MERGER TO BE APPROVED?

Latest Date and Time for Lodgement of Proxy Form

18 March 2022 (Friday), 10.00 a.m.

YOUR VOTE COUNTS



Please vote by proxy only

RESOLUTION 1

The Merger

Ordinary Resolution:
>50%

*of the total number of votes cast by
ESR-REIT Unitholders voting by proxy
at the EGM*

RESOLUTION 2

The proposed issue of new
ESR-REIT Units to the ALOG
Unitholders at an issue price of
S\$0.4924 for each ESR-REIT
Unit as part of the consideration
for the Merger

Ordinary Resolution:
>50%

*of the total number of votes cast by
ESR-REIT Unitholders voting by proxy
at the EGM*



The resolutions are **inter-conditional**. Accordingly, if either of the resolutions is not approved by the requisite majority, the Scheme will not be implemented. These resolutions are also conditional upon the Scheme becoming effective in accordance with its terms



ESR Cayman Limited and its associates, the Summit Group and Mitsui are required to abstain from voting



In addition, the Merger is also subject, *inter alia*, to ALOG Unitholders' approval of the Scheme and the Court's approval for the Scheme

WHAT DO I NEED TO DO IN RELATION TO THE MERGER?

YOUR VOTE COUNTS



Please vote by proxy only



You now have
this Circular

Vote on the Merger by submitting a Proxy Form by 18 March 2022 (Friday), 10.00 a.m.

Individuals

For ESR-REIT Unitholders who are individuals⁽¹⁾ and who hold ESR-REIT Units directly with CDP only:

- i. Via electronic submission of the e-Proxy Form at the Pre-registration Page at <https://smartagm.sg/esreitegm21March2022>, or
- ii. By depositing the duly completed Proxy Form with ESR-REIT
 - A. via electronic mail to SRS.TeamE@boardroomlimited.com, or
 - B. via post to the Unit Registrar's office

Note: (1) Instruments of proxy executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post.

Corporates

For ESR-REIT Unitholders who are corporates and who hold ESR-REIT Units directly with CDP only:

- i. By depositing the duly completed Proxy Form with ESR-REIT
 - A. via electronic mail to SRS.TeamE@boardroomlimited.com, or
 - B. via post to the Unit Registrar's office

Relevant Intermediary Unitholders, CPF / SRS Investors

For Relevant Intermediary Unitholders⁽²⁾ and CPF/SRS investors⁽³⁾; do not use the Proxy Form for voting. Please approach your respective Relevant Intermediary to specify voting instructions.

Notes: (2) Persons who hold ESR-REIT Units through a Relevant Intermediary (as defined in the deed of trust dated 31 March 2006 constituting ESR-REIT (as amended)). (3) ESR-REIT Unitholders as well as investors who hold units of ESR-REIT through the Central Provident Fund or the Supplementary Retirement Scheme.

Online EGM:

21 March 2022 (Monday), 10.00 a.m.



Pre-register for online EGM by 18 March 2022 (Friday), 10:00 a.m.

Pre-registration website: <https://smartagm.sg/esreitegm21March2022> which is also accessible by scanning the QR code on the cover page of this Circular

2 possible outcomes for the Merger



Outcome 1:

ESR-REIT Unitholders vote in favour of **both** Resolutions 1 and 2

Subject to the Scheme becoming effective in accordance with its terms, the Merger **will** go through and ESR-REIT **will** acquire all the ALOG Units



Outcome 2:

ESR-REIT Unitholders vote against **either** Resolution 1 or 2

The Merger **will not** go through and ESR-REIT **will not** acquire all the ALOG Units

HOW DO I VOTE DURING THE EGM?

In view of the elevated safe distancing measures imposed by the Singapore Government due to the current COVID-19 situation, ESR-REIT will be conducting the EGM **only by way of electronic means**.

As such, you will only be able to vote at the EGM by completing the Proxy Form to appoint the Chairman of the EGM as your proxy to vote on your behalf in the following manner:

For ESR-REIT Unitholders who are individuals⁽¹⁾ and who hold ESR-REIT Units directly with CDP only – via **electronic submission of the e-Proxy Form** at the Pre-registration Page at <https://smartagm.sg/esrreitegm21March2022>

If you are submitting the Proxy Form by **electronic mail or via post**, please follow the instructions set out below:

STEP 1: LOCATE THE PROXY FORM

A printed copy of the Proxy Form has been despatched to you. It can be obtained from:

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue

#14-07 Keppel Bay Tower

Singapore 098632

Operating hours: Monday to Friday, 8:30 a.m. to 5:30 p.m.

This Circular (including the Proxy Form) has been made available on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, and on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

STEP 2: COMPLETE THE PROXY FORM

ESR-REIT
(A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

PROXY FORM
Extraordinary General Meeting

IMPORTANT:
1. A Unitholder (whether individual or corporate) must appoint the Chairman of the Extraordinary General Meeting as his/her proxy at the Extraordinary General Meeting if such Unitholder wishes to exercise his/her voting rights at the Extraordinary General Meeting. There will not be real-time voting at the Extraordinary General Meeting.
2. For investors holding units of ESR-REIT through Relevant Intermediaries (as defined in the trust deed constituting ESR-REIT (as amended)) (including CPF/SRS investors), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their Relevant Intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators by 14 March 2022 (Monday) to ensure that their votes are submitted.
3. The Extraordinary General Meeting will be held via electronic means.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**
5. Personal data privacy
By submitting an instrument appointing a proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 25 February 2022.

This proxy form is available on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, and on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this proxy form have also been despatched to the unitholders.

I/We, _____ (Name and NRIC no./Passport no./Company Registration no.) of _____ (Address) being a unitholder/unitholders of ESR-REIT, hereby appoint the Chairman of the Extraordinary General Meeting as my/our proxy to attend, to speak and to vote for me/us on my/our behalf at the Extraordinary General Meeting of ESR-REIT to be held on 21 March 2022 (Monday) at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy to vote (i) for (ii) against or (iii) abstain from voting on, the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder*. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the Extraordinary General Meeting.

No.	Resolutions:	For*	Against*	Abstain*
1	Resolution 1 (Ordinary Resolution): To approve the Merger			
2	Resolution 2 (Ordinary Resolution): To approve the proposed issue of new ESR-REIT Units to the ALOG Unitholders at the issue price of S\$0.4924 for each ESR-REIT Unit as part of the consideration for the Merger			

You should specifically direct the proxy on how he/she is to vote for, vote against (or abstain from voting on) the resolutions.
* If you wish to exercise all your votes "For" or "Against" or to "Abstain" from the relevant resolution, please tick [x] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____, 2022

Total number of Units held (Note 2) _____

Signature(s) of Unitholder(s)/Common Seal _____

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM ON THE REVERSE PAGE

A Fill in your name and particulars

I/We, _____ (Name and NRIC no./Passport no./Company Registration no.) of _____ (Address) being a unitholder/unitholders of ESR-REIT, hereby appoint the Chairman of the Extraordinary General Meeting as my/our proxy to attend, to speak and to vote for me/us on my/our behalf at the Extraordinary General Meeting of ESR-REIT to be held on 21 March 2022 (Monday) at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy to vote (i) for (ii) against or (iii) abstain from voting on, the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder*. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the Extraordinary General Meeting.

B Indicate your vote in the box labelled FOR, AGAINST or ABSTAIN for each of the resolutions

No.	Resolutions:	For*	Against*	Abstain*
1	Resolution 1 (Ordinary Resolution): To approve the Merger			
2	Resolution 2 (Ordinary Resolution): To approve the proposed issue of new ESR-REIT Units to the ALOG Unitholders at the issue price of S\$0.4924 for each ESR-REIT Unit as part of the consideration for the Merger			

You should specifically direct the proxy on how he/she is to vote for, vote against (or abstain from voting on) the resolutions.
* If you wish to exercise all your votes "For" or "Against" or to "Abstain" from the relevant resolution, please tick [x] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Notes: (1) Instruments of proxy executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post.

ESR-REIT
(A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

PROXY FORM
Extraordinary General Meeting

IMPORTANT:

1. A Unitholder (whether individual or corporate) must appoint the Chairman of the Extraordinary General Meeting as his/her proxy at the Extraordinary General Meeting if such Unitholder wishes to exercise his/her voting rights at the Extraordinary General Meeting. There will not be real-time voting at the Extraordinary General Meeting.
2. For investors holding units of ESR-REIT through Relevant Intermediaries (as defined in the trust deed constituting ESR-REIT (as amended)) (including CPF/SRS Investors), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their Relevant Intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators by 14 March 2022 (Monday) to ensure that their votes are submitted.
3. The Extraordinary General Meeting will be held via electronic means.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**
5. **Personal data privacy**
By submitting an instrument appointing a proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 26 February 2022.

This proxy form is available on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, and on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this proxy form have also been despatched to the unitholders.

I/We, _____ (Name and NRIC no./Passport no./Company Registration no.) of _____ (Address) being a unitholder/unitholders of ESR-REIT, hereby appoint the Chairman of the Extraordinary General Meeting as my/our proxy to attend, to speak and to vote for me/us on my/our behalf at the Extraordinary General Meeting of ESR-REIT to be held on 21 March 2022 (Monday) at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy to vote (i) for (ii) against or (iii) abstain from voting on, the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder*. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the Extraordinary General Meeting.

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You should specifically direct the proxy on how he/she is to vote for, vote against (or abstain from voting on) the resolutions.
* If you wish to exercise all your votes "For" or "Against" or to "Abstain" from the relevant resolution, please tick [x] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____, 2022

Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM ON THE REVERSE PAGE

- C** If you are an individual, you or your attorney **MUST SIGN** and indicate the date.

If you are a corporation, the Proxy Form must be executed under your common seal or signed by a duly authorised officer or attorney.

Where the Proxy Form is signed by an attorney or a duly authorised officer, the power of attorney or other authority under which it is signed must be lodged with the Proxy Form.

Dated this _____ day of _____, 2022

Signature(s) of Unitholder(s)/Common Seal

- D** Indicate the number of ESR-REIT Units you hold.

Total number of Units held (Note 2)

STEP 3: RETURN THE COMPLETED PROXY FORM

The completed and signed Proxy Form can be returned via the following ways:

- Send via electronic mail to **SRS.TeamE@boardroomlimited.com** (e.g. enclosing a clear scanned completed and signed Proxy Form in PDF) by **NO LATER THAN 18 March 2022 (Friday), 10.00 a.m.;** or
- Fold and seal the form where indicated, and deposit by post so that it reaches **Boardroom Corporate & Advisory Services Pte. Ltd.**, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, by **NO LATER THAN 18 March 2022 (Friday), 10.00 a.m.** Postage for the Proxy Form has been pre paid for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore

IMPORTANT DATES AND TIMES

- **SIAS Virtual Information Session:**
 - 10 March 2022 (Thursday), 7.00 p.m.
- **Date for submission of all substantial and relevant questions:**
 - 13 March 2022 (Sunday)
- **Date on which the ESR-REIT Manager will publish the responses to all substantial and relevant questions received:**
 - 15 March 2022 (Tuesday)
- **Last Date and Time for Lodgement of the Proxy Form:**
 - 18 March 2022 (Friday), 10.00 a.m.
- **Details of the EGM:**
 - 21 March 2022 (Monday), 10.00 a.m.
 - The EGM will be held only by way of electronic means. Kindly submit the completed Proxy Form either by electronic submission at the Pre-registration Page at <https://smartagm.sg/esrreitegm21March2022>, post or electronic mail

INVESTOR CONTACTS

Financial Advisers in relation to the Merger

Citigroup Global Markets Singapore Pte. Ltd.

Investment Banking

Telephone: +65 6657 1959

Maybank Securities Pte. Ltd.

(formerly known as Maybank Kim Eng Securities Pte. Ltd.)

Investment Banking and Advisory

Telephone: +65 6231 5179

From Monday to Friday, 8.30 a.m. to 5.30 p.m.

(Except Public Holidays)

Public Relations Adviser

Citigate Dewe Rogerson Singapore

Chia Hui Kheng/Justin Teh/Samantha Lee

Email: huikheng.chia@citigatedewerogerson.com/

justin.teh@citigatedewerogerson.com/samantha.lee@citigatedewerogerson.com

IMPORTANT NOTICE

The information in this section should be read with the full information contained in the rest of this Circular. If there should be any inconsistency or conflict between this section and the rest of this Circular, the rest of this Circular shall prevail. Nothing in this section is intended to be, or shall be taken as, advice, a recommendation or a solicitation to the ESR-REIT Unitholders or any other party.

ESR-REIT Unitholders are advised to be cautious when dealing in their ESR-REIT Units and not to take any action in relation to their ESR-REIT Units which may not prove to be in their best interests.

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CORPORATE INFORMATION

Directors of ESR Funds Management (S) Limited (the "ESR-REIT Manager") :

Ms. Stefanie Yuen Thio
(Independent Chairperson, Member of the Audit, Risk Management and Compliance Committee)

Mr. Ooi Eng Peng
(Non-Executive Director, Deputy Chairman, Chairman of the Executive Committee, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee)

Mr. Khor Un-Hun
(Independent Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee)

Dr. Leong Horn Kee
(Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee)

Mr. Ronald Lim Cheng Aun
(Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee and Member of the Audit, Risk Management and Compliance Committee)

Mr. Philip John Pearce
(Non-Executive Director, Member of the Executive Committee)

Mr. Jeffrey David Perlman
(Non-Executive Director, Member of the Nominating and Remuneration Committee, Member of the Executive Committee)

Mr. Tong Jinquan
(Non-Executive Director)

Mr. Wilson Ang Poh Seong
(Non-Executive Director)

Mr. Adrian Chui Wai Yin
(Chief Executive Officer and Executive Director, Member of the Executive Committee)

Registered Office of the ESR-REIT Manager :

8 Changi Business Park Avenue 1
#05-51, ESR BizPark @ Changi (South Tower)
Singapore 486018

Trustee of ESR-REIT (the " ESR-REIT Trustee ")	:	RBC Investor Services Trust Singapore Limited 8 Marina View #26-01 Asia Square Tower 1 Singapore 018960
Financial Advisers in relation to the Merger	:	Citigroup Global Markets Singapore Pte. Ltd. 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960 Maybank Securities Pte. Ltd. (formerly known as Maybank Kim Eng Securities Pte. Ltd.) 50 North Canal Road #03-01 Singapore 059304
Independent Financial Adviser to the Audit, Risk Management and Compliance Committee of the ESR-REIT Manager, the ESR-REIT Recommending Directors (as defined herein) and the ESR- REIT Trustee (the " IFA ")	:	Rothschild & Co Singapore Limited One Raffles Quay, North Tower 1 Raffles Quay, #10-02 Singapore 048583
Legal Adviser to the ESR-REIT Manager	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the ESR-REIT Trustee	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632
ESR-REIT 805 Auditor	:	Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583

OVERVIEW OF THE MERGER

The following is a summary of main points of the Merger only, and is qualified in its entirety by and should be read in conjunction with the full text of this Circular. Please refer to the Definitions section of this Circular for the interpretation of words and expressions used in this Overview.

RESOLUTION 1: THE MERGER

RESOLUTION 2: THE PROPOSED ISSUE OF NEW ESR-REIT UNITS TO THE ALOG UNITHOLDERS AT AN ISSUE PRICE OF S\$0.4924 FOR EACH ESR-REIT UNIT AS PART OF THE CONSIDERATION FOR THE MERGER

ESR-REIT

ESR-REIT is a Singapore-based real estate investment trust ("**REIT**") which invests in quality income-producing industrial properties and as at 31 December 2021 has a diversified portfolio of 56 properties located across Singapore, close to major transportation hubs and key industrial zones island-wide. The properties are in the following business sectors: Business Park, High-Specs (as defined herein) Industrial, Logistics/Warehouse and General Industrial. ESR-REIT is managed by ESR Funds Management (S) Limited (the "**ESR-REIT Manager**").

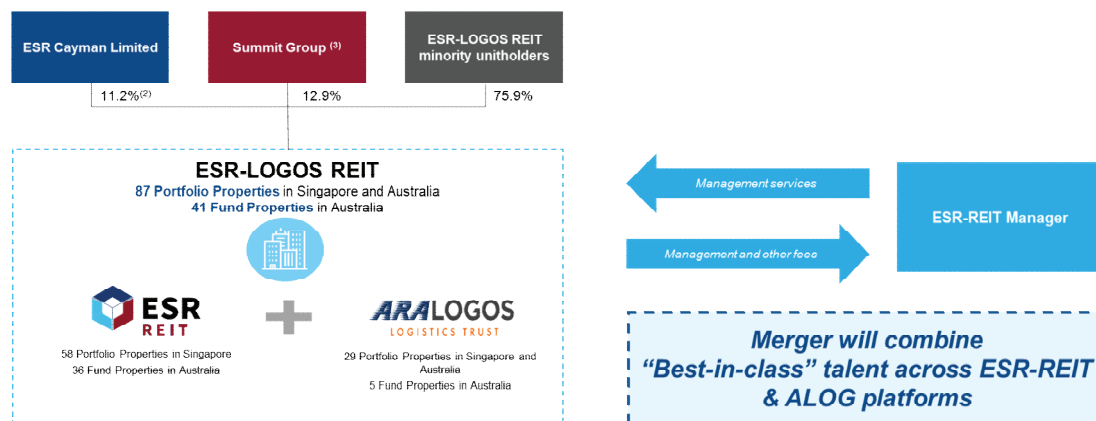
ARA LOGOS Logistics Trust ("**ALOG**")

ALOG is a Singapore-based REIT which 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 (the "**ALOG Manager**").

The Merger and the Scheme

The proposed merger (the "**Merger**") will be effected through the acquisition by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (the "**ESR-REIT Trustee**") of all the units of ALOG (the "**ALOG Units**") held by the unitholders of ALOG (the "**ALOG Unitholders**"), in exchange for a combination of cash and units in ESR-REIT (the "**ESR-REIT Units**"), by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**").

Following the Merger, it is intended that the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT". It is currently envisaged that the structure of ESR-LOGOS REIT upon completion of the Merger will be as follows:



Notes:

- (1) Illustrative pro forma unitholding structure based on latest available information as at 18 February 2022, based on a gross exchange ratio of 1.970x. The gross exchange ratio of 1.970x is derived by dividing the revised Scheme Consideration of S\$0.970 for each ALOG Unit by the issue price of S\$0.4924 for each new ESR-REIT Unit.
- (2) Comprises deemed interests held through holding entities.
- (3) Refers to Mr. Tong Jinquan and his associates.

Summary of Approvals Sought

The Merger constitutes a major transaction under Rule 1014 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and accordingly requires the approval of the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**") under Rule 1014(2) of the Listing Manual.

In addition, the issue of the Consideration Units (as defined herein) at an issue price of S\$0.4924 for each Consideration Unit as part of the consideration for the Merger requires the approval of the ESR-REIT Unitholders by way of an Ordinary Resolution (as defined herein).

Further, the Merger, and the issue of Consideration Units as consideration for the Merger, constitutes an interested person transaction under Chapter 9 of the Listing Manual, as well as an interested party transaction under Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") requiring the approval of the Independent ESR-REIT Unitholders (as defined herein).

In light of the above, the ESR-REIT Manager is seeking approval from the ESR-REIT Unitholders on each of the following inter-conditional resolutions at an extraordinary general meeting of the ESR-REIT Unitholders (the "**EGM**"). Accordingly, if either of the resolutions is not approved by the requisite majority, the Scheme will not be implemented. These resolutions are also conditional upon the Scheme becoming effective in accordance with its terms:

- (a) Resolution 1: the Merger (Ordinary Resolution); and
- (b) Resolution 2: the proposed issue of new ESR-REIT Units to the ALOG Unitholders at an issue price of S\$0.4924 for each ESR-REIT Unit as part of the consideration for the Merger (Ordinary Resolution).

Implementation Agreement

In connection with the Merger, the ESR-REIT Manager, the ESR-REIT Trustee, the ALOG Manager and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of ALOG) (the "**ALOG Trustee**") (each, a "**Party**" and collectively the "**Parties**") entered into an implementation agreement (the "**Implementation Agreement**") on 15 October 2021 setting out the terms and conditions on which the Parties will implement the Scheme. In connection with the Revision (as defined herein), on 22 January 2022, the Parties entered into a supplemental letter amending and restating the Implementation Agreement, setting out the amended terms on which the Scheme will be implemented.

Scheme Consideration

On 15 October 2021, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Joint Announcement (as defined herein) in relation to the Merger and the Scheme. As stated in the Joint Announcement, the original Scheme Consideration payable pursuant to the Merger and the Scheme was S\$0.950 for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date (as defined herein), which would be satisfied by the payment of a sum of S\$0.095 in cash and the allotment and issuance of 1.6765 new ESR-REIT Units at an issue price of S\$0.510 for each new ESR-REIT Unit.

On 22 January 2022, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Revised Joint Announcement (as defined herein) in relation to, *inter alia*, the revision of the Scheme Consideration (as defined herein) payable to the ALOG Unitholders pursuant to the Merger and the Scheme (the "**Revision**").

Pursuant to the amended and restated Implementation Agreement, each of the ESR-REIT Trustee and the ESR-REIT Manager will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.970 (the "**Scheme Consideration**") for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date, which shall be satisfied by:

- (a) firstly, the payment of a sum of S\$0.097 in cash (the "**Cash Consideration**"). The aggregate Cash Consideration to be paid to each ALOG Unitholder shall be rounded to the nearest S\$0.01; and
- (b) secondly, the allotment and issuance of 1.7729 new ESR-REIT Units (the "**Consideration Units**") at an issue price of S\$0.4924 for each Consideration Unit, such Consideration Units to be credited as fully paid. The issue price of S\$0.4924 for each Consideration Unit represents (i) a premium of 5.9% over the closing price of the ESR-REIT Units of S\$0.465 as at 14 October 2021, being the last full trading day prior to the Joint Announcement Date (as defined herein); and (ii) a premium of 4.8% over the closing price of the ESR-REIT Units of S\$0.470 as at 21 January 2022, being the last full trading day prior to the Revised Joint Announcement Date (as defined herein).

No fractions of a Consideration Unit shall be allotted and issued to any ALOG Unitholder and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be allotted and issued to any ALOG Unitholder pursuant to the Scheme.

By way of illustration, if the Scheme becomes effective in accordance with its terms:

- (i) an ALOG Unitholder who holds 1,000 ALOG Units as at the Books Closure Date will receive S\$97.00 in cash and 1,772 Consideration Units; and**
- (ii) an ALOG Unitholder who holds 100 ALOG Units as at the Books Closure Date will receive S\$9.70 in cash and 177 Consideration Units.**

The Consideration Units shall:

- (A) when issued, be duly authorised, validly issued and credited as fully paid-up and shall rank *pari passu* in all respects with the existing ESR-REIT Units as at the date of their issue (and not as at the Joint Announcement Date or the date of the Revised Joint Announcement)¹; and
- (B) be issued free from all and any Encumbrances (as defined herein) and restrictions or transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

As ALOG Unitholders may receive odd lots of ESR-REIT Units as part of the consideration for their ALOG Units pursuant to the Scheme, the ALOG Manager will facilitate the trading of odd lots so that ALOG Unitholders who wish to round up or down their unitholding to the nearest board lot size of ESR-REIT Units (i.e. in multiples of 100 ESR-REIT Units) can do so. Please refer to paragraph 3 of Appendix A to the Scheme Document (as defined herein) for further details of the arrangements implemented by the ALOG Manager for the trading of odd lots of ESR-REIT Units.

Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement:

- (a) the ALOG Manager is permitted to announce, declare, pay or make distributions to the ALOG Unitholders (the "**ALOG Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (as defined herein) (including any clean-up distribution to the ALOG Unitholders in respect of the period from the day following the latest completed financial quarter of ALOG preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income); and

¹ For the avoidance of doubt, the Consideration Units shall be issued with all rights, benefits and entitlements attaching on and from the date of their issue (and not as at the Joint Announcement Date or the date of the Revised Joint Announcement), including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the ESR-REIT Manager on or after the date of their issue.

- (b) the ESR-REIT Manager is permitted to announce, declare, pay or make distributions to the ESR-REIT Unitholders (the "**ESR-REIT Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ESR-REIT Unitholders in respect of the period from the day following the latest completed financial quarter of ESR-REIT preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income).

For the avoidance of doubt:

- (i) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall include any distributions declared, paid or made by the ALOG Manager or the ESR-REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of any undistributed profits from overseas operations, tenant incentives compensation from any vendors, and any rental guarantee; and
- (ii) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall not include distributions declared, paid or made by the ALOG Manager or the ESR-REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of (A) proceeds received in connection with the sale of any of the ALOG Real Properties (as defined herein) or ESR-REIT Real Properties (as defined herein) (as the case may be); and/or (B) gains arising from disposals of investment properties prior to the date of the Implementation Agreement and which have not been distributed to the ALOG Unitholders or the ESR-REIT Unitholders (as the case may be) prior to the date of the Implementation Agreement.

The ALOG Unitholders shall have the right to receive and retain the ALOG Permitted Distributions in addition to the Scheme Consideration.

The ESR-REIT Manager reserves the right to adjust the Scheme Consideration by reducing the cash component of the Scheme Consideration, the unit component of the Scheme Consideration or by any combination of such cash and unit components of the Scheme Consideration, if and to the extent any distribution in excess of the ALOG Permitted Distributions is announced, declared, made or paid by the ALOG Manager on or after the date of the Implementation Agreement.

Scheme Conditions

The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of certain conditions precedent which are set out in the Implementation Agreement and reproduced in **Appendix B** to this Circular (the "**Scheme Conditions**").

The status of each condition precedent as at the Latest Practicable Date (as defined herein) is also set out in **Appendix B** to this Circular.

Termination

The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time on or prior to the date falling on the Business Day (as defined herein) immediately preceding the Effective Date (subject to prior consultation with the Securities Industry Council (the "**SIC**"), and the SIC giving its approval for, or stating that it has no objection to, such termination), in certain circumstances specified in the Implementation Agreement.

Break Fee and Reverse Break Fee

In the event of a termination of the Implementation Agreement by the ESR-REIT Manager or the ESR-REIT Trustee, the ESR-REIT Trustee may, in certain circumstances, be entitled to recover from the ALOG Trustee costs and expenses reasonably incurred by or on behalf of the ESR-REIT Manager and/or the ESR-REIT Trustee in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ESR-REIT Manager and/or the ESR-REIT Trustee in connection with the Merger and/or the Scheme), subject to a maximum amount equal to S\$7.5 million (the "**Break Fee**").

Similarly, in the event of a termination of the Implementation Agreement by the ALOG Manager or the ALOG Trustee, the ALOG Trustee may, in certain circumstances be entitled to recover from the ESR-REIT Trustee all the costs and expenses reasonably incurred by or on behalf of the ALOG Manager and/or the ALOG Trustee in connection with the Merger and/or the Scheme (including without limitation the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ALOG Manager and/or the ALOG Trustee in connection with the Merger and/or the Scheme), subject to a maximum amount equal to S\$7.5 million (the "**Reverse Break Fee**").

For the avoidance of doubt, no Reverse Break Fee or Break Fee is payable by the ESR-REIT Trustee to the ALOG Trustee, or by the ALOG Trustee to the ESR-REIT Trustee, in connection with the Revision and/or the amendment and restatement of the Implementation Agreement.

Please refer to paragraph 4.7 of the Letter to ESR-REIT Unitholders for further details of the Break Fee and Reverse Break Fee.

Brief Description of the Negotiation Process relating to the Merger

Commercial discussions between the ESR-REIT Manager and the ALOG Manager on the feasibility of the Merger only commenced after the Sponsor's announcement on 4 August 2021 in relation to the Proposed ARA Acquisition (as defined herein). The ESR-REIT Manager brought onboard legal and financial advisers to evaluate the strategic and financial merits of the Merger, including the potential conflicts of interest due to overlapping mandates and the downside risks if the Proposed ARA Acquisition was completed, and the timing of the proposed Merger.

An initial set of terms of the Merger was thoroughly evaluated at a meeting of the board of directors of the ESR-REIT Manager and approved by the directors of the ESR-REIT Manager who are considered independent for the purposes of the interested person transaction and interested party transaction (the "**ESR-REIT Recommending Directors**"). In this regard, Mr. Jeffrey Perlman, Mr. Philip Pearce and Mr. Tong Jinquan abstained from participating in the decision-making process of the board of the ESR-REIT Manager in respect of the Merger as (a) Mr. Jeffrey Perlman is the chairman and a director of the

Sponsor; (b) Mr. Philip Pearce is the chief executive officer of ESR Real Estate (Australia) Pty Ltd, a wholly-owned subsidiary of the Sponsor, as well as a director of certain entities within the ESR Group; and (c) Mr. Tong Jinquan holds (together with his associates) a controlling interest in the ESR-REIT Manager as well as a controlling interest in ESR-REIT Units.

Thereafter, the terms of the Merger were proposed to the ALOG Manager via a non-binding offer letter. The ALOG Manager also brought onboard advisers to evaluate the strategic and financial merits of the proposed Merger.

The ESR-REIT Manager would like to highlight that both prior to and after the announcement of the Proposed ARA Acquisition, as well as at all times during the negotiations between the ESR-REIT Manager and the ALOG Manager in respect of the Merger, and up to the Latest Practicable Date:

- (i) a majority of the boards of directors of both the ESR-REIT Manager and the ALOG Manager comprise directors who are independent of the Sponsor and ARA;
- (ii) all of the ESR-REIT Recommending Directors and the ALOG Independent Directors are independent of the Sponsor and ARA; and
- (iii) there has been no overlap of management teams between the ESR-REIT Manager and the ALOG Manager, and the management teams of both the ESR-REIT Manager and the ALOG Manager have remained the same.

In addition, information barriers are in place between the ESR-REIT Manager and the ALOG Manager to ensure that any information relating to ESR-REIT's business strategy or operations is not shared with ALOG (and vice versa), save for the limited exchange of information between the ESR-REIT Manager and the ALOG Manager for the sole purpose of conducting due diligence and to evaluate and implement the Merger.

The ESR-REIT Manager would like to highlight that a merger with ALOG would not have been contemplated if the Proposed ARA Acquisition was not announced, as ESR-REIT's business plan and strategy was centered on asset acquisitions of both the Sponsor's (which then did not include a controlling, indirect and majority shareholding of ALOG's sponsor, the LOGOS Group) asset pipeline regionally and third party assets in Singapore, and there would not be any potential conflicts of interest.

However, in view of the Proposed ARA Acquisition, the ESR-REIT Manager considers the Merger to be the best option to address the potential conflicts of interest. Also, the merits of an enlarged ESR-REIT (to be renamed ESR-LOGOS REIT), supported by an enlarged ESR Group (as defined herein) following the completion of the Proposed ARA Acquisition, are in the best interests of both ESR-REIT Unitholders and ALOG Unitholders. The timing to undertake the Merger, from a corporate governance point of view, is appropriate (rather than await the outcome of the Proposed ARA Acquisition) as some of the potential conflicts of interest would already be in play (for example, in the event of both ESR-REIT and ALOG (A) bidding for the same third party assets, which may result in an increase in the prices of such assets and thereby reduce the potential economic benefits to either ESR-REIT Unitholders and ALOG Unitholders; or (B) competing for new tenants, which may result in each REIT offering increasingly attractive terms to tenants to secure the new lease (for example, lower rent and/or more rent-free arrangements), which reduces the potential benefit to either ESR-REIT Unitholders or ALOG Unitholders). In addition, if an equity fundraising exercise is required to fund a proposed

acquisition, both ESR-REIT and ALOG will be competing for the Sponsor's resources to support the fundraising (including any backstopping of the fundraising). As such, a delayed announcement may leave both sets of unitholders uncertain as to the future plans for both REITs.

There were negotiations between the ESR-REIT Manager and the ALOG Manager before an in-principle agreement on the original Scheme Consideration of S\$0.950 per ALOG Unit was reached, and such discussions in relation to the Merger were conducted by the Chief Executive Officer ("**CEO**") and the management team of the ESR-REIT Manager within the mandate given and approved by the ESR-REIT Recommending Directors. This was followed by due diligence and other professional parties such as tax advisers and auditors were also brought onboard in September 2021 to commence legal and property due diligence on ALOG (and vice versa). Upon completion of satisfactory due diligence by both parties and the approval from the ESR-REIT Recommending Directors, the Implementation Agreement was executed, followed by the announcement of the Merger on 15 October 2021.

Prior to the announcement of the revised Scheme Consideration of S\$0.970 per ALOG Unit on 22 January 2022, the ESR-REIT Recommending Directors had considered the relevant factors put forth by the ESR-REIT Manager and its financial advisers, including (1) the fact that the Proposed ARA Acquisition had been completed on 20 January 2022, thereby crystallising the issue of conflicts of interest between ESR-REIT and ALOG arising from a common sponsor, (2) the rationale for the revised Scheme Consideration, and (3) the rationale for the Merger as set out in paragraph 6 of the Letter to ESR-REIT Unitholders, before supporting the revision of the Scheme Consideration.

Rationale for the Revised Scheme Consideration

(a) Growth of ESR-REIT and ALOG likely to be negatively impacted if conflicts of interest arising between ESR-REIT and ALOG from a common sponsor are not resolved

- Following completion of the Proposed ARA Acquisition on 20 January 2022, the ESR Group is now an indirect majority controlling shareholder of the LOGOS Group.
- Both ESR-REIT and ALOG share a common sponsor, and have overlapping mandates in relation to asset pipeline, tenant and operational network, and financial resources.
- Conflicts of interest will inevitably arise which may negatively impact both REITs' growth potential as ESR-REIT and ALOG will have to compete for new assets from the ESR Group as well as from third parties.
- Conflicts of interest will also result in uncertainties arising from the type and amount of asset pipeline, financial resources and other Sponsor's resources support. For example, if an equity fundraising exercise is required to fund a proposed acquisition, both ESR-REIT and ALOG will be competing for the Sponsor's resources to support the fundraising (including any backstopping of the fundraising).
- Growth potential of both ESR-REIT and ALOG will be negatively impacted if the conflicts of interest are not resolved, and will remain as standalone sub-scale REITs with higher cost of capital and lower trading liquidity.
- The Merger will address the issue of overlapping mandates and potential conflicts and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders and allow better economies of scale.

- The enlarged ESR-REIT, to be renamed ESR-LOGOS REIT will enjoy access to the Sponsor's New Economy (as defined herein) pipeline of more than US\$59 billion², development work-in-progress of over US\$10 billion and a development pipeline of over 9 million square metres across 10 countries³, in addition to the committed financial and operational support from the Sponsor.
- If the Merger is not successful, the ESR Group could resolve the conflicts of interest by (i) sale of the manager of either ESR-REIT or ALOG to a third party, and in such an instance, the manager, and by reference the REIT, that is sold will not be able to leverage on the ESR Group's asset pipelines, tenant and operational network and financial resources, or (ii) the divestment of either REIT's portfolio of assets, some of which are under non-sale moratoriums imposed by JTC Corporation ("**JTC**"). It is the ESR-REIT Manager's opinion that either of such options is not in the interests of either REIT's unitholders as it would curtail such REIT's growth prospects which may result in either REIT losing its current premium to NAV pricing.
- In addition, a sale of the ESR-REIT Manager which results in the ESR-REIT Manager ceasing to be a subsidiary (whether directly or indirectly) of the Sponsor, will trigger the change in control provisions in ESR-REIT's existing debt facilities of an aggregate outstanding principal amount of approximately S\$1.29 billion. Any potential buyer of the ESR-REIT Manager is likely required to obtain debt financing to replace such existing debt facilities, and there is no guarantee that the new financing terms will be more favourable than ESR-REIT's current financing terms. Such change in control provisions are common in S-REIT debt facilities given the sponsor's support and credit profile are key to the performance of a REIT.

(b) Proxy Advisers recommended that ALOG Unitholders vote against the Scheme based on the original Scheme terms

- Proxy advisers, Glass, Lewis & Co and Institutional Shareholder Services, issued reports recommending that ALOG Unitholders vote against the Scheme based on the original Scheme terms.
- Taking into account the views of the proxy advisers that the original terms of the Scheme were not compelling for ALOG Unitholders and most of the benefits of the Merger will accrue to ESR-REIT Unitholders, ESR-REIT decided to revise the Scheme Consideration to seek a balance for both ALOG Unitholders and ESR-REIT Unitholders.

(c) Compression of capitalisation rates⁴ for Australia industrial / logistics properties due to strong underlying fundamentals

- ALOG's Australian portfolio continues to be an attractive acquisition.
- Australia industrial / logistics sector supported by strong underlying fundamentals.
- Elevated take up rates, low vacancy and strong rental growth in 4Q2021.

² ESR Group's data as at 31 December 2021, based on the Sponsor's management estimate for the ESR Group (including AUM of its associates) as of 31 December 2021.

³ 2021-2023 pipeline as of the financial quarter ended 31 March 2021.

⁴ Capitalisation rates are calculated by dividing a property's net property income by the market value of the property.

- Favourable fundamentals coupled with strong investor demand and a low interest rate environment have resulted in strong capital appreciation through the compression of capitalisation rates for the Australia industrial / logistics properties.

Rationale for the Merger

(a) The Merger will Resolve Conflicts of Interest Arising from a Common Sponsor

(b) Increased Exposure to Sustainable "In-Demand" Logistics and High-Specs Properties

- Logistics remains as the largest secular growth opportunity in Asia.
- Leveraging on the integrated value chain of consumption, production and delivery, to create an environment of sustainable demand for New Economy real estate whilst enjoying favourable supply dynamics.
- Increased portfolio exposure to "In-Demand" New Economy real estate.
- Increased strategic presence in Australia's attractive logistics market which continues to benefit from capitalisation rate compression, resulting in capital appreciation and higher valuations for the underlying real estate.

(c) Size Increasingly Matters

- Lower portfolio risks attributable to higher income diversification, increased income stability and creating a more resilient portfolio.
- Improved tenant quality and reduced concentration risk.
- Opportunities for operational synergies and portfolio optimisation.
- More competitive costs of capital.

(d) Transformational Scale and Sponsor's Network

- Creation of one (1) of the largest industrial Singapore-listed REITs ("**S-REITs**") with total assets of approximately S\$5.4 billion.
- ESR-LOGOS REIT is expected to be among the top 10 largest S-REITs based on a free float market capitalisation of S\$2.5 billion⁵.
- Access to the ESR Group's global tenant network.
- Leverage the ESR Group's financial strength and operating platform to grow.
- Largest New Economy pipeline to supercharge growth.
- Increased development limit capacity, providing greater access to growth opportunities.

(e) DPU Accretive for ESR-REIT Unitholders on a Historical Pro Forma Basis

(f) Enhanced Environmental, Social, and Governance ("ESG") Offering

Please refer to paragraph 6 of the Letter to ESR-REIT Unitholders for further details.

⁵ Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit.

Overall, the ESR-REIT Manager believes that the Merger is in line with ESR-REIT's strategy to accelerate its exposure to New Economy assets comprising High-Specs assets and logistics properties. The Merger will also deepen ESR-LOGOS REIT's presence in key Singapore industrial clusters and expand its foothold in new economic hubs in Australia and access to freehold and/or land lease properties. This will help mitigate the effects of the shorter lease tenures that apply to Singapore industrial properties. The enlarged ESR-REIT will have approximately 65% exposure to New Economy assets comprising High-Specs assets and logistics properties suitable for advanced manufacturing, pharmaceuticals, life sciences and data-centre operators. With the combination of two best-in-class platforms with solid track records in value creation, more competitive and wider pools of capital as well as lower portfolio risks, the Merger will be transformative and re-position and propel ESR-LOGOS REIT towards an enhanced growth trajectory, backed by the ESR Group. ESR-LOGOS REIT will have access to the Sponsor's (as defined herein) New Economy pipeline properties of over US\$59 billion⁶ to supercharge growth to become a leading Future-Ready APAC S-REIT. The Merger will enhance ESR-LOGOS REIT's capacity to acquire more quality properties as well as undertake more development projects to drive value accretive growth.

Future Intentions for ESR-LOGOS REIT

Assuming the completion of the Merger:

- (a) the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT";
- (b) the ESR-REIT Manager will be the manager of ESR-LOGOS REIT after completion of the Merger and Mr. Adrian Chui will continue to be the CEO of the ESR-REIT Manager, while Ms. Karen Lee⁷ will join the ESR-REIT Manager as the Deputy CEO. The Nominating and Remuneration Committee of the ESR-REIT Manager will also review the composition of the board of directors of the ESR-REIT Manager as may be appropriate to align with ESR-LOGOS REIT's future strategic direction, focus and corporate governance best practices. Such corporate governance practices include, amongst others, compliance with SFA regulations and Monetary Authority of Singapore ("**MAS**") guidelines relating to the independence of the directors on the board of the manager and the duty of the manager to take all necessary steps to avoid conflicts of interest and to act in the best interests of unitholders (including, without limitation, the SFA, the Securities and Futures (Licensing and Conduct of Business) Regulations, the Code of Corporate Governance issued by the MAS on 6 August 2018 and the accompanying Practice Guidance, and the Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management [Guideline No. SFA04-G07] issued by the MAS on 1 January 2016);
- (c) it is intended that ALOG's existing outstanding loan facilities and related interest rate swaps of an aggregate amount of approximately S\$761.2 million will be fully refinanced; and
- (d) post-Merger, ESR-LOGOS REIT will target to sell down a portfolio of non-core assets over the subsequent 18 to 24 months to further create a flagship New Economy REIT.

⁶ ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of associates) as of 31 December 2021.

⁷ Ms. Karen Lee is currently the CEO of the ALOG Manager.

Estimated Total Acquisition Cost

The total cost of the Merger is estimated to be approximately S\$2,408.5 million comprising:

- (a) the aggregate Scheme Consideration of approximately S\$1,409.3 million, based on the Scheme Consideration of S\$0.970 for each ALOG Unit and an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date;
- (b) estimated upfront land premium payable to JTC of approximately S\$87.9 million;
- (c) the acquisition fee payable to the ESR-REIT Manager for the Merger (the "**Acquisition Fee**") which is estimated to be approximately S\$15.6 million, based on the Scheme Consideration;
- (d) the refinancing of ALOG's total borrowings and related interest rate swaps and derivative liabilities of an aggregate amount of approximately S\$761.2 million;
- (e) the redemption of ALOG's perpetual securities of S\$101.5 million; and
- (f) the estimated professional and other costs, fees and expenses (including taxes) of approximately S\$32.9 million incurred in connection with the Scheme.

For the avoidance of doubt, the completion of the Merger is not conditional upon the completion of the redemption of ALOG's perpetual securities of S\$101.5 million.

Source of Funds for the Merger

As the Merger constitutes an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee is payable in ESR-REIT Units⁸ to the ESR-REIT Manager for the Merger, and shall not be sold within one (1) year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

The Scheme Consideration of S\$0.970 per ALOG Unit will be satisfied through the payment of an aggregate cash amount of approximately S\$140.9 million and the allotment and issue of Consideration Units (estimated to be approximately 2,575.9 million based on an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date) at an issue price of S\$0.4924 for each Consideration Unit, to the ALOG Unitholders.

In connection with the Merger and the Scheme, the ESR-REIT Trustee has entered into a commitment letter dated 11 October 2021 with DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch as Mandated Lead Arrangers and Bookrunners⁹ for the grant of new unsecured banking facilities of an aggregate of up to S\$835 million and A\$365 million. The proceeds received by the ESR-REIT Trustee will be applied towards the following purposes:

- (a) the financing of the Cash Consideration of the Scheme;

⁸ Pursuant to the Merger, approximately 31.7 million ESR-REIT Units will be allotted and issued to the ESR-REIT Manager in payment of the Acquisition Fee based on the Scheme Consideration.

⁹ ESR-REIT may also issue new perpetual securities to finance the Merger.

- (b) the refinancing in full of the indebtedness under existing loan facilities granted to the ALOG Trustee;
- (c) the payment of costs, fees and expenses (including taxes) incurred in connection with the Scheme; and
- (d) general working capital purposes for ESR-REIT.

Value of ALOG Units

Based on the latest announced financial statements of ALOG, being the unaudited consolidated financial statements for the financial year ended 31 December 2021:

- (a) the net asset value and net tangible assets per ALOG Unit as at 31 December 2021 were S\$0.67; and
- (b) the amount available for distribution to the ALOG Unitholders for the financial year ended 31 December 2021 was approximately S\$70.4 million.

Based on the volume weighted average price of S\$0.928 per ALOG Unit with reference to the 30-calendar day period from 15 September 2021 up to and including 14 October 2021, the latest available open market value of all the ALOG Units on 14 October 2021 is approximately S\$1.4 billion.

ESR-REIT 805 Auditor's Opinion

The ESR-REIT Manager has appointed Ernst & Young LLP (the "**ESR-REIT 805 Auditor**") to perform an audit, in accordance with Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on the ALOG Statements of Investment Properties (as defined herein), including by, among other things, reviewing the valuation reports of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties (as defined herein) as at 30 September 2021. A reciprocal arrangement was undertaken by ALOG on the ESR-REIT Statements of Investment Properties (as defined herein), including by, among other things, reviewing the valuation reports of the ESR-REIT Real Properties and the EALP Real Properties (as defined herein) as at 30 September 2021.

The intention in carrying out such audit is to give additional comfort to ESR-REIT Unitholders that the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group (as defined herein). Pursuant to such audit, the ESR-REIT 805 Auditor has delivered an audit opinion dated 25 February 2022 setting out its opinion that the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group (the "**ESR-REIT 805 Auditor's Opinion**").

In determining the carrying values of the ALOG Real Properties and the ALOG Fund Real Properties, the ESR-REIT 805 Auditor had also considered the valuations of these properties concluded by the ALOG Group, the New LAIVS Trust and the Oxford Property Fund as of 31 December 2021, which have not materially changed when compared to the carrying values as at 30 September 2021, in assessing the robustness of the valuations as at 30 September 2021.

Please refer to **Appendix C** for the ESR-REIT 805 Auditor's Opinion.

Appointment of Independent Financial Adviser

Rothschild & Co Singapore Limited has been appointed as the independent financial adviser ("IFA") to advise the ESR-REIT Manager's Audit, Risk Management and Compliance Committee (the "ARCC"), the ESR-REIT Recommending Directors (as defined herein), and the ESR-REIT Trustee, as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

Taking into account the factors set out in the IFA Letter (as defined herein) and subject to the assumptions and qualifications set out in the IFA Letter, and taking into account the prevailing conditions as at the Latest Practicable Date, the IFA has opined, *inter alia*, that **the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.**

ESR-REIT Unitholders should read the IFA Letter in its entirety as set out in **Appendix A** to this Circular.

Abstentions from Voting

ESR Cayman Limited to Abstain from Voting

Pursuant to Paragraph 5.2(b) of the Property Funds Appendix and Rules 748(5) and 919 of the Listing Manual, ESR Cayman Limited and its associates will abstain from voting on Resolutions 1 and 2 at the EGM. Further, each of them shall decline to accept appointment as proxy to attend and vote at the EGM in respect of Resolutions 1 and 2 unless the ESR-REIT Unitholder concerned has given specific instructions in his proxy form as attached to this Circular ("**Proxy Form**") as to the manner in which his votes are to be cast.

Summit Group to Abstain from Voting

Pursuant to Paragraph 5.2(b) of the Property Funds Appendix and Rule 748(5) of the Listing Manual, the Summit Group will abstain from voting on Resolutions 1 and 2 at the EGM. Further, each member of the Summit Group shall decline to accept appointment as proxy to attend and vote at the EGM in respect of Resolutions 1 and 2 unless the ESR-REIT Unitholder concerned has given specific instructions in his Proxy Form as to the manner in which his votes are to be cast.

Mitsui & Co., Ltd to Abstain from Voting

Pursuant to Paragraph 5.2(b) of the Property Funds Appendix and Rule 748(5) of the Listing Manual, Mitsui will abstain from voting (either in person or by proxy) on Resolutions 1 and 2 at the EGM. Further, it shall decline to accept appointment as proxy to attend and vote at the EGM in respect of Resolutions 1 and 2 unless the ESR-REIT Unitholder concerned has given specific instructions in his Proxy Form as to the manner in which his votes are to be cast.

INDICATIVE TIMETABLE

Key Event	Date and Time
SIAS Virtual Information Session (as defined below)⁽¹⁾	▪ 10 March 2022 at 7.00 p.m.
Date for submission of all substantial and relevant questions	▪ 13 March 2022
Date on which the ESR-REIT Manager will publish the responses to all substantial and relevant questions received⁽²⁾	▪ 15 March 2022
Last date and time for pre-registration	▪ 18 March 2022 at 10.00 a.m.
Last date and time for lodgement of Proxy Forms	▪ 18 March 2022 at 10.00 a.m.
Date and time of the EGM for the ESR-REIT Unitholders	▪ 21 March 2022 at 10.00 a.m.
Place of EGM for the ESR-REIT Unitholders	▪ Live Audio-visual Webcast / Live Audio-only Stream
Date and time of the extraordinary general meeting for the ALOG Unitholders	▪ 21 March 2022 at 3.00 p.m.
Date and time of the Scheme Meeting⁽³⁾	▪ 21 March 2022 at 3.30 p.m., or as soon thereafter following the conclusion of the extraordinary general meeting for the ALOG Unitholders whichever is later
Expected date of Court⁽⁴⁾ hearing of the application to sanction the Scheme⁽⁵⁾	▪ 11 April 2022
Expected last day of trading of the ALOG Units on the SGX-ST	▪ 19 April 2022
Expected Books Closure Date	▪ 21 April 2022
Expected Record Date⁽⁶⁾	▪ 21 April 2022
Expected Effective Date of the Scheme⁽⁷⁾	▪ 22 April 2022

Key Event	Date and Time
Expected date for the payment of the Cash Consideration and allotment and issuance of the Consideration Units to the ALOG Unitholders	▪ 28 April 2022
Expected date for commencement of trading of the Consideration Units on the SGX-ST	▪ 28 April 2022
Expected date for the delisting of ALOG	▪ 5 May 2022

Notes:

- (1) The ESR-REIT Manager intends to hold a virtual information session ("**SIAS Virtual Information Session**") in respect of the Merger and the Scheme with ESR-REIT Unitholders, with the Securities Investors Association (Singapore) ("**SIAS**") as the moderator. ESR-REIT Unitholders will be able to participate in the SIAS Virtual Information Session through a live question and answer session with the ESR-REIT Manager. A recording of the SIAS Virtual Information Session will be uploaded on SGXNET and the website of ESR-REIT by 13 March 2022.
- (2) The ESR-REIT Manager will publish the responses to the substantial and relevant questions received on or before 13 March 2022, on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> and on SGXNET prior to the EGM by 15 March 2022. The ESR-REIT Manager may also publish further responses after 15 March 2022 to substantial and relevant questions received after 13 March 2022.
- (3) "**Scheme Meeting**" refers to the meeting of the ALOG Unitholders to be convened to approve the Scheme, and any adjournment thereof.
- (4) "**Court**" refers to the General Division of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court and the Court of Appeal of the Republic of Singapore.
- (5) The date of the Court hearing of the application to approve the Scheme will depend on the date that is allocated by the Court.
- (6) "**Record Date**" refers to the Business Day immediately preceding the Effective Date.
- (7) The Scheme will become effective upon the written notification to the Monetary Authority of Singapore of the grant of the order of the Court sanctioning the Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore, which shall be effected by or on behalf of the ESR-REIT Manager on a date to be mutually agreed in writing between the ESR-REIT Manager and the ALOG Manager, being a date within 25 Business Days from the date on which the last of the Scheme Conditions set out in paragraphs (a), (b), (c), (d), (e) and (k) of **Appendix B** to this Circular is satisfied in accordance with the terms of the Implementation Agreement, provided that the rest of the Scheme Conditions are satisfied or waived on the Record Date, as the case may be, in accordance with the terms of the Implementation Agreement.

All dates and times referred to above are to Singapore dates and times. Please note that the timetable for the events which are scheduled to take place after the EGM and the Scheme Meeting is indicative only and may be subject to change. Please refer to future SGXNET announcement(s) by the ESR-REIT Manager for the exact dates of these events.

DEFINITIONS

The following definitions shall apply throughout this Circular unless the context otherwise requires or unless otherwise stated:

"1H2021"	:	The financial half year ended 30 June 2021
"4Q2021"	:	The financial quarter ended 31 December 2021
"9M2021"	:	The nine (9) months ended 30 September 2021
"Acquisition Announcement"	:	The announcement released on 15 October 2021 by the board of directors of the ESR-REIT Manager titled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement"
"Acquisition Fee"	:	The acquisition fee payable to the ESR-REIT Manager for the Merger, which is estimated to be approximately S\$15.6 million
"AEI"	:	Asset enhancement initiative
"Affiliates"	:	Any of the related corporations and affiliates of the ESR-REIT Manager and the ESR-REIT Trustee
"ALOG"	:	ARA LOGOS Logistics Trust
"ALOG 1H2021 Financial Statements"	:	The unaudited consolidated financial statements of the ALOG Group for the half year ended 30 June 2021
"ALOG 3Q2021 Financial Highlights"	:	The unaudited financial highlights of the ALOG Group for the third quarter and nine (9) months ended 30 September 2021 announced by the ALOG Manager on 26 October 2021
"ALOG Australia"	:	ALOG Logistics Trust Australia, a wholly-owned subsidiary of ALOG
"ALOG Competing Proposal"	:	Any offer by any person other than the ESR-REIT Trustee involving (a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the ALOG Group; (b) a general offer for the ALOG Units; (c) a scheme of arrangement involving any of the entities in the ALOG Group or the merger of any entities in the ALOG Group with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); (d) any other arrangement having an effect similar to any of (a) to (c); or (e) a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Merger and/or the Scheme. For the purpose of this definition, an ALOG Competing

Proposal will be deemed to be for all or substantially all of the assets, business and/or undertakings of the ALOG Group if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code

"ALOG EFR"	:	Collectively, the ALOG Equity Fundraising and the ALOG Subscription Units Issuance
"ALOG Equity Fundraising"	:	The ALOG equity fundraising comprising a private placement of 90,498,000 new ALOG Units and a preferential offering of 91,112,930 new ALOG Units, which were completed on 11 November 2020 and 25 January 2021 respectively, and raised gross proceeds of S\$100.3 million to partially finance the FY2021 ALOG Acquisitions
"ALOG FY2020 Financial Statements"	:	The audited consolidated financial statements of the ALOG Group for FY2020
"ALOG FY2021 Interim Financial Information"	:	The unaudited consolidated interim financial information of the ALOG Group for FY2021 announced by the ALOG Manager on 25 January 2022
"ALOG Fund Real Properties"	:	<p>(a) The properties in Australia in which the New LAIVS Trust holds a 100.0% interest, namely 69 Sargents Road, Minchinbury, New South Wales, 11-14 John Morphet Place, Erskine Park, New South Wales, 34-58 Marshall Court, Altona, Victoria and 27-43 Toll Drive, Altona North, Victoria; and</p> <p>(b) the property in Australia in which the Oxford Property Fund holds a 100.0% interest, namely 1 Hume Road, Laverton North, Victoria</p>
"ALOG Group"	:	ALOG and its subsidiaries
"ALOG Independent Directors"	:	The directors of the ALOG Manager who are considered independent for the purposes of the Scheme being Mr Lim How Teck, Mr Lim Lee Meng, Mr Lim Kong Puay and Mr Oh Eng Lock
"ALOG Manager"	:	ARA LOGOS Logistics Trust Management Limited, solely in its capacity as manager of ALOG
"ALOG Material Adverse Effect"	:	Any event or events, whether individually or in aggregate, occurring from the Joint Announcement Date which has or have the effect of causing a diminution in the consolidated net assets attributable to unitholders of the ALOG Group or consolidated gross revenue of the ALOG Group in the manner as set out in Appendix B to this Circular

"ALOG Permitted Distributions"	: Distributions that the ALOG Manager is permitted under the Implementation Agreement to announce, declare, pay or make to the ALOG Unitholders in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ALOG Unitholders in respect of the period from the day following the latest completed financial quarter of ALOG preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income)
"ALOG Real Properties"	: Collectively the properties listed in the portfolio statements set out on pages FS8 to FS11 of the ALOG 1H2021 Financial Statements and the Heron Property (but excluding ALOG Changi DistriCentre 2 and 404-450 Findon Road, Kidman Park)
"ALOG SG Real Properties"	: The ALOG Real Properties which are located in Singapore
"ALOG Statements of Investment Properties"	: The statements prepared or to be prepared by the ALOG Manager and LOGOS Investment Manager Pty Ltd setting out the carrying values of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties respectively as at 30 September 2021, and related notes
"ALOG Subscription Units Issuance"	: The issuance of 126,696,800 new ALOG Units to Ivanhoe Cambridge Asia, and 33,846,100 new ALOG Units to LOGOS Units, which was completed on 16 April 2021 and raised gross proceeds of S\$88.7 million
"ALOG Trust Deed"	: The deed of trust dated 11 February 2010 constituting ALOG, as may be amended, supplemented or varied from time to time
"ALOG Trustee"	: HSBC Institutional Trust Services (Singapore) Limited, solely in its capacity as trustee of ALOG
"ALOG Unit"	: An issued and paid-up unit of ALOG
"ALOG Unitholder"	: The registered holder for the time being of an ALOG Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term "ALOG Unitholder" shall, in relation to the ALOG Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with the ALOG Units

"AMIT"	: Attribution managed investment trust for the purposes of the Australian Taxation Act
"APAC"	: Asia-Pacific
"ARA"	: ARA Asset Management Limited
"ARA Acquisition Announcement"	: The announcement dated 4 August 2021 by the Sponsor announcing that it entered into an acquisition agreement with, among others, ARA, in relation to the Proposed ARA Acquisition
"ARCC"	: The ESR-REIT Manager's Audit, Risk Management and Compliance Committee, comprising Mr. Khor Un-Hun as the chairman and Mr. Ooi Eng Peng, Dr. Leong Horn Kee, Mr. Ronald Lim Cheng Aun and Ms. Stefanie Yuen Thio as members
"AUM"	: Assets under management
"Australian Taxation Act"	: The Income Tax Assessment Act 1997 (Cth), the Income Tax Assessment Act 1936 and the Taxation Administration Act 1953 (Cth), where appropriate
"Books Closure Date"	: The books closure date to be announced by the ALOG Manager on which the register of ALOG Unitholders will be closed in order to determine the entitlements of the ALOG Unitholders in respect of the Scheme
"Break Fee"	: Costs and expenses reasonably incurred by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager in connection with the Merger and/or the Scheme), subject to a maximum amount of S\$7.5 million
"Business Day"	: A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
"Cash Consideration"	: S\$0.097 in cash to be paid to the ALOG Unitholders as part of the consideration for the acquisition of each ALOG Unit pursuant to the Scheme
"CDP"	: The Central Depository (Pte) Limited
"CEO"	: Chief Executive Officer
"Circular"	: This circular to ESR-REIT Unitholders dated 25 February 2022

"CMS Licence"	: Capital markets services licence for REIT management
"Code"	: The Singapore Code on Take-overs and Mergers
"Companies Act"	: The Companies Act 1967 of Singapore, as amended or modified from time to time
"Confirmation Email"	: The confirmation email which contains unique user credentials and instructions on how to access the live audio-visual webcast / live audio-only stream of the EGM proceedings, which will be sent to authenticated ESR-REIT Unitholders who have pre-registered for the EGM
"Consideration Units"	: The new ESR-REIT Units to be issued to the ALOG Unitholders as part of the consideration for the Merger
"Court"	: The General Division of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court and the Court of Appeal of the Republic of Singapore
"COVID-19"	: The Coronavirus Disease 2019
"Directors"	: The directors of the ESR-REIT Manager
"DPU"	: Distribution per unit
"EALP"	: ESR Australia Logistics Partnership
"EALP Real Properties"	: The 36 properties in Australia in which EALP holds an interest
"Effective Date"	: The date on which the Scheme becomes effective in accordance with its terms, that is, the date of the written notification to the MAS of the grant of the order of the Court sanctioning the Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore, and which date shall, in any event, be no later than the Long-Stop Date
"EGM"	: The extraordinary general meeting of ESR-REIT Unitholders to be held on 21 March 2022 at 10.00 a.m., notice of which is set out in Appendix E to this Circular
"Encumbrances"	: Liens, equities, mortgages, charges, encumbrances, security interests, hypothecations, powers of sale, rights to acquire, options, restrictions, rights of first refusal, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing

"Enlarged REIT"	: The enlarged entity following the Merger, to be renamed "ESR-LOGOS REIT"
"EPRA Index"	: FTSE EPRA Nareit Developed Asia Index
"ESG"	: Environmental, Social, and Governance
"ESR Group"	: The ESR group of companies of which ESR Cayman Limited is the holding company
"ESR-PM"	: ESR Property Management (S) Pte. Ltd.
"ESR-REIT"	: ESR-REIT, a REIT constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended)
"ESR-REIT 1H2021 Financial Statements"	: The unaudited consolidated financial statements of the ESR-REIT Group for the half year ended 30 June 2021
"ESR-REIT 3Q2021 Financial Highlights"	: The unaudited financial highlights of the ESR-REIT Group for the third quarter and nine (9) months ended 30 September 2021 announced by the ESR-REIT Manager on 27 October 2021
"ESR-REIT 805 Auditor"	: Ernst & Young LLP
"ESR-REIT 805 Auditor's Opinion"	: The audit opinion dated 25 February 2022 delivered by the ESR-REIT 805 Auditor setting out its opinion that the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group, as set out in Appendix C to this Circular
"ESR-REIT Competing Proposal"	: Any offer by any person other than the ALOG Trustee involving (a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the ESR-REIT Group; (b) a general offer for the ESR-REIT Units; (c) a scheme of arrangement involving any of the entities in the ESR-REIT Group or the merger of any entities in the ESR-REIT Group with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); (d) any other arrangement having an effect similar to any of (a) to (c); or (e) a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Merger and/or the Scheme. For the purpose of this definition, an ESR-REIT Competing Proposal will be deemed to be for all or substantially all of the assets, business and/or undertakings of the ESR-REIT Group if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code

"ESR-REIT EFR"	: The ESR-REIT equity fundraising comprising a private placement of 268,818,000 new ESR-REIT Units and a preferential offering of 124,071,569 new ESR-REIT Units, which were completed on 18 May 2021 and 26 August 2021 respectively and raised gross proceeds of S\$149.6 million to partially finance the FY2021 ESR-REIT Acquisitions
"ESR-REIT FY2020 Financial Statements"	: The audited consolidated financial statements of the ESR-REIT Group for FY2020
"ESR-REIT FY2021 Financial Statements"	: The unaudited consolidated financial statements of the ESR-REIT Group for FY2021 announced by the ESR-REIT Manager on 27 January 2022
"ESR-REIT Group"	: ESR-REIT and its subsidiaries
"ESR-REIT Independent Valuation Certificates"	: The valuation certificates on the valuation of ESR-REIT's properties as at 30 September 2021
"ESR-REIT Independent Valuation Reports"	: The reports issued by the ESR-REIT Independent Valuers on the valuation of ESR-REIT's properties as at 30 September 2021
"ESR-REIT Independent Valuers"	: Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Cushman & Wakefield VHS Pte Ltd
"ESR-REIT Manager"	: ESR Funds Management (S) Limited, solely in its capacity as manager of ESR-REIT unless otherwise stated
"ESR-REIT Material Adverse Effect"	: Any event or events, whether individually or in aggregate, occurring from the Joint Announcement Date which has or have the effect of causing a diminution in the consolidated net assets attributable to unitholders of the ESR-REIT Group or consolidated gross revenue of the ESR-REIT Group in the manner as set out in Appendix B to this Circular
"ESR-REIT Permitted Distributions"	: Distributions that the ESR-REIT Manager is permitted under the Implementation Agreement to announce, declare, pay or make to the ESR-REIT Unitholders in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ESR-REIT Unitholders in respect of the period from the day following the latest completed financial quarter of ESR-REIT preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income)

"ESR-REIT Real Properties"	: Collectively the properties listed in the investment properties portfolio statement set out on pages 23 to 30 of the ESR-REIT 1H2021 Financial Statements and the property in Singapore in which PTC Logistics Hub LLP holds a 100.0% interest, namely 48 Pandan Road, Singapore 609289 (but excluding, upon the completion of the sale of certain excluded properties agreed by the Parties (to the extent such completion occurs between the date of the Implementation Agreement and the completion of the Merger), such excluded properties)
"ESR-REIT Recommending Directors"	: The Directors who are considered independent for the purposes of the Merger as an interested person transaction and interested party transaction, being Ms. Stefanie Yuen Thio, Mr. Ooi Eng Peng, Mr. Khor Un-Hun, Dr. Leong Horn Kee, Mr. Ronald Lim Cheng Aun, Mr. Wilson Ang Poh Seong, and Mr. Adrian Chui Wai Yin
"ESR-REIT Revaluation"	: The revaluation of the ESR-REIT Real Properties and the EALP Real Properties held as at 30 September 2021 in FY2020 based on their latest actual independent valuations as at 30 September 2021
"ESR-REIT Statements of Investment Properties"	: The statements prepared or to be prepared by the ESR-REIT Manager and ESR Asset Management (Australia) Pty Ltd setting out the carrying values of the ESR-REIT Real Properties and the EALP Real Properties respectively as at 30 September 2021, and related notes
"ESR-REIT Trust Deed"	: The deed of trust dated 31 March 2006 constituting ESR-REIT, as may be amended, supplemented or varied from time to time
"ESR-REIT Trustee"	: RBC Investor Services Trust Singapore Limited, solely in its capacity as trustee of ESR-REIT
"ESR-REIT Unit"	: An issued and paid-up unit of ESR-REIT
"ESR-REIT Unitholder"	: The registered holder for the time being of an ESR-REIT Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term "ESR-REIT Unitholder" shall, in relation to ESR-REIT Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with the ESR-REIT Units
"ESRIM"	: ESR Investment Management Pte. Ltd.
"FIRB Approval"	: In relation to Australian foreign investment approval, either: <ul style="list-style-type: none"> (a) receipt by the ESR-REIT Trustee of a written notice under the Australian <i>Foreign Acquisitions and Takeovers Act 1975</i>

from the Treasurer of the Commonwealth of Australia (or his or her delegate) stating that, or to the effect that, the Australian Commonwealth Government does not object to the Merger, either without conditions or otherwise on terms acceptable to the ESR-REIT Trustee, acting reasonably; or

- (b) following the ESR-REIT Trustee giving notice of the Merger to the Treasurer of the Commonwealth of Australia under the Australian *Foreign Acquisitions and Takeovers Act 1975*, the Treasurer of the Commonwealth of Australia ceases to be empowered to make any order under Division 2 of Part 3 of the *Australian Foreign Acquisitions and Takeovers Act 1975*

"Financial Advisers" : Citigroup Global Markets Singapore Pte. Ltd., and Maybank Securities Pte. Ltd. (formerly known as Maybank Kim Eng Securities Pte. Ltd.)

"Foreign Resident Individuals" : Individuals who are not tax resident in Australia under the Australian Taxation Act

"FY2020" : The financial year ended 31 December 2020

"FY2021" : The financial year ended 31 December 2021

"FY2021 ALOG Acquisitions" : Collectively, the following acquisitions by ALOG:

- (a) the acquisition of 47 Logistics Place, Larapinta, Queensland located in Australia which was completed on 16 April 2021;
- (b) the acquisition of (i) 1-5 & 2-6 Bishop Drive, (ii) 8 Curlew Street, and (iii) 53 Peregrine Drive, all located in Port of Brisbane, Queensland, Australia which was completed on 21 April 2021;
- (c) the acquisition of a 49.5% interest in the New LAIVS Trust and a 40.0% interest in the Oxford Property Fund which was completed on 16 April 2021; and
- (d) the acquisition of the Heron Property which was completed on 11 January 2022

"FY2021 ALOG Divestments" : Collectively, the following divestments by ALOG:

- (a) the divestment of 3 Changi South Street 3, also known as ALOG Changi DistriCentre 2 as announced on 22 April 2021; and

	(b) the divestment of 404-450 Findon Road, Kidman Park, South Australia in Australia as announced on 26 April 2021
"FY2021 ESR-REIT Acquisitions"	: Collectively, the following acquisitions by ESR-REIT: <ul style="list-style-type: none"> (a) the acquisition of 10.0% interest in EALP which was completed on 14 May 2021; and (b) the acquisition of 46A Tanjong Penjuru which was completed on 29 June 2021
"FY2021 ESR-REIT Divestments"	: Collectively, the following divestments by ESR-REIT: <ul style="list-style-type: none"> (a) the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East as announced on 28 April 2021; and (b) the divestment of 45 Changi South Avenue 2 as announced on 30 August 2021
"GFA"	: Gross floor area
"Governmental Authority"	: (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof, including without limitation any entity directly or indirectly owned (in whole or in part) or controlled thereby; <ul style="list-style-type: none"> (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and (c) any quasi-government or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, taxation, importing or other governmental or quasi-governmental authority
"GRESB"	: Global Real Estate Sustainability Benchmarks
"GRI"	: Gross rental income
"Heron Property"	: 21 Curlew Street (formerly known as Corner Heron Drive and Curlew Street), Port of Brisbane, Queensland, Australia
"High-Specs"	: Mixed-use industrial buildings with a high proportion of space that can be allocated for office use, and have modern facades, air-conditioned units and sufficient floor loading, ceiling height and

electrical power capacities to enable both manufacturing and office functions to be carried out concurrently

"IFA"	: Rothschild & Co Singapore Limited, the independent financial adviser to the ARCC, the ESR-REIT Recommending Directors and the ESR-REIT Trustee
"IFA Letter"	: The letter from the IFA to the members of the ARCC, the ESR-REIT Recommending Directors and the ESR-REIT Trustee, as set out in Appendix A to this Circular
"Implementation Agreement"	: The implementation agreement dated 15 October 2021 entered into between the Parties, as amended by the supplemental letter thereto dated 22 January 2022, whereby the Parties agreed to effect the Merger by way of the Scheme upon the terms and subject to the conditions therein, including the Scheme Conditions, the Scheme Consideration and as set out in the Scheme Document
"Independent ESR-REIT Unitholders"	: The ESR-REIT Unitholders who are considered independent for the purposes of the Merger as an interested person transaction and interested party transaction, which, for the avoidance of doubt, excludes the Sponsor and its associates, Mitsui and the Summit Group who are required to abstain from voting on the resolutions relating to the Merger
"Ivanhoe Cambridge Asia"	: Ivanhoe Cambridge Asia Inc. (formerly known as Ivanhoe Cambridge China Inc.)
"JLL"	: Jones Lang LaSalle Incorporated
"Joint Announcement"	: The joint announcement released on 15 October 2021 by the ESR-REIT Manager and the ALOG Manager titled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement"
"Joint Announcement Date"	: 15 October 2021
"JTC"	: JTC Corporation
"Land Rent Scheme"	: The payment of the upfront land premium being the total land price charged by JTC for the remaining lease term of the properties by way of periodic rental payments made across the term of the lease
"Latest Practicable Date"	: 18 February 2022, being the latest practicable date prior to the date of this Circular
"Lending Banks"	: DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch

"Letter to ESR-REIT Unitholders"	: The letter from the ESR-REIT Manager to the ESR-REIT Unitholders, as set out on pages 37 to 106 of this Circular
"Listing Manual"	: The listing manual of the SGX-ST, as modified, amended, supplemented, revised or replaced from time to time
"LOGOS Group"	: LOGOS Property Group Limited group of companies
"LOGOS Units"	: LOGOS Units No. 1 Ltd
"Long-Stop Date"	: 31 March 2022 (or such other date as the Parties may agree in writing) ¹⁰
"LRE"	: Longemont Real Estate Pte Ltd
"LWG"	: Leading Wealth Global Inc
"MAS"	: The Monetary Authority of Singapore
"Merger"	: The proposed merger of ESR-REIT and ALOG, effected through the acquisition by the ESR-REIT Trustee of all the ALOG Units held by the ALOG Unitholders by way of the Scheme in compliance with the Code
"MIT"	: Managed investment trust for the purposes of the Australian Taxation Act
"MIT Tax Treatment"	: The preferential Australian withholding tax rate at 15.0% available to a MIT under the Australian Taxation Act
"Mitsui"	: Mitsui & Co., Ltd, which holds 7.7% of the issued shares of the ESR-REIT Manager as at the Latest Practicable Date
"MTB"	: Multi-tenanted buildings
"NAV"	: Net asset value
"New Economy"	: Logistics / warehouses and High-Specs industrial sectors
"New Facilities"	: New unsecured banking facilities of an aggregate of up to S\$835 million and A\$365 million granted pursuant to a commitment letter dated 11 October 2021 entered into by the ESR-REIT Trustee with DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and

¹⁰ The ESR-REIT Manager has submitted an application to the SIC to extend the Long-Stop Date. ESR-REIT Unitholders should refer to future SGXNET announcements for updates.

Sumitomo Mitsui Banking Corporation Singapore Branch as
Mandated Lead Arrangers and Bookrunners

"Notice of EGM"	: The notice of the EGM, as set out in Appendix E to this Circular
"NTA"	: Net tangible assets
"Offer"	: A voluntary conditional offer made for or on behalf of the ESR-REIT Trustee to acquire all the ALOG Units on the terms and subject to the conditions which will be set out in the offer document issued for or on behalf of the ESR-REIT Trustee
"Ordinary Resolution"	: A resolution proposed and passed as such by a majority being greater than 50% or more of the total number of votes cast for and against such resolution at a meeting of ESR-REIT Unitholders convened in accordance with the provisions of the ESR-REIT Trust Deed
"Party"	: Each of the ESR-REIT Manager, the ESR-REIT Trustee, the ALOG Manager and the ALOG Trustee, which are party to the Implementation Agreement, and collectively, the "Parties"
"Pre-registration Page"	: https://smartagm.sg/esreitegm21March2022
"Pro Forma 2020 DPU"	: The distribution per ESR-REIT Unit for FY2020
"Pro Forma 2021 DPU"	: The distribution per ESR-REIT Unit for FY2021
"Property Funds Appendix"	: Appendix 6 to the Code on Collective Investment Schemes
"Proposed ARA Acquisition"	: The proposed acquisition by the Sponsor of 100% of the issued share capital and voting power in ARA which was completed on 20 January 2022
"Proxy Form"	: The accompanying proxy form for the EGM as set out in this Circular
"Record Date"	: The Business Day immediately preceding the Effective Date
"Regulatory Approvals"	: Such authorisations, consents, clearances, permissions and/or approvals and/or other acts from any Governmental Authority, and/or the expiration of applicable waiting periods under applicable law, as required by any and all Parties under applicable law, or which the Parties may agree are necessary or desirable, to implement the Scheme, the Merger and/or the transactions contemplated under the Implementation Agreement
"REIT"	: Real estate investment trust

"Relevant Intermediary Unitholders"	: Persons who hold ESR-REIT Units through a Relevant Intermediary (as defined in the ESR-REIT Trust Deed)
"Reverse Break Fee"	: Costs and expenses reasonably incurred by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme), subject to a maximum amount of S\$7.5 million
"Revised Acquisition Announcement"	: The announcement released on 22 January 2022 by the board of directors of the ESR-REIT Manager titled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement – Revision of Scheme Consideration"
"Revised Joint Announcement"	: The joint announcement released on 22 January 2022 by the ESR-REIT Manager and the ALOG Manager titled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement – Revision of Scheme Consideration"
"Revised Joint Announcement Date"	: 22 January 2022
"Revision"	: The revision of the Scheme Consideration payable to the ALOG Unitholders pursuant to the Merger and the Scheme
"S-REIT"	: Singapore REIT
"Scheme"	: The trust scheme of arrangement to be proposed by the ALOG Manager to the ALOG Unitholders, reflecting the terms set out in the Implementation Agreement, as set out in the Scheme Document (as may be amended or modified from time to time)
"Scheme Conditions"	: The conditions precedent to the Scheme as set out in the Implementation Agreement and reproduced in Appendix B to this Circular
"Scheme Consideration"	: The scheme consideration for the Merger which shall be satisfied by the Consideration Units and the Cash Consideration
"Scheme Court Order"	: The order of Court sanctioning the Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore
"Scheme Document"	: The scheme document dated 25 February 2022 issued by the ALOG Manager on behalf of ALOG to all the ALOG Unitholders in relation to the Merger and the Scheme

"Scheme Meeting"	: The meeting of the ALOG Unitholders to be convened to approve the Scheme, and any adjournment thereof
"Securities Account"	: A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
"SFA"	: The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
"SGX-ST"	: The Singapore Exchange Securities Trading Limited
"SIAS"	: Securities Investors Association (Singapore)
"SIAS Virtual Information Session"	: The virtual information session to be held on 10 March 2022 in respect of the Merger and the Scheme with ESR-REIT Unitholders, with SIAS as the moderator
"SIC"	: The Securities Industry Council
"Sponsor"	: ESR Cayman Limited
"Sponsor Resources"	: Asset pipelines, tenant and operational network, and financial resources of the Sponsor
"SSGCL"	: Shanghai Summit (Group) Co., Ltd
"SSPL"	: Shanghai Summit Pte. Ltd.
"STB"	: Single tenanted buildings
"Summit Group"	: Collectively, Mr. Tong Jinquan and his associates
"Switch Option"	: The right of the ESR-REIT Trustee and the ESR-REIT Manager at their discretion to elect to proceed by way of an Offer (in lieu of proceeding with the Merger by way of the Scheme) in the event of an ALOG Competing Proposal or an intention to make an ALOG Competing Proposal is announced (whether or not such ALOG Competing Proposal is pre-conditional), pursuant to the terms of the Implementation Agreement and subject to prior consultation with the SIC
"Unit Registrar"	: Boardroom Corporate & Advisory Services Pte. Ltd.
"Upfront Land Premium Scheme"	: The payment of the upfront land premium being the total land price charged by JTC for the remaining lease term of the properties by way of a lump sum upfront payment

"Virtual Meeting"	: The EGM conducted by way of electronic means
"VWAP"	: Volume weighted average price
"Warranties"	: (a) In relation to ESR-REIT, the representations and warranties given by the ESR-REIT Trustee and the ESR-REIT Manager in connection with the Merger set out in the Implementation Agreement; and (b) in relation to ALOG, the representations and warranties given by the ALOG Trustee and the ALOG Manager in connection with the Merger set out in the Implementation Agreement
"%"	: Per centum or percentage
"A\$"	: Australian dollars, being the lawful currency of the Commonwealth of Australia
"S\$" and "cents"	: Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
"US\$"	: United States dollars, being the lawful currency of the United States of America

All capitalised terms used and not defined in this Circular shall have the same meanings given to them in the Implementation Agreement.

A reference to "**paragraph**" is a reference to a paragraph of the Letter to ESR-REIT Unitholders unless otherwise specified or the context otherwise requires.

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**interested person**" shall have the meaning ascribed to it in the Listing Manual and the terms "**associate**" and "**interested party**" shall have the meanings ascribed to them in the Property Funds Appendix.

The term "**controlling ESR-REIT Unitholder**" and "**controlling ALOG Unitholder**" shall bear the same meaning as "Controlling unitholder" as defined in the Property Funds Appendix.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one gender shall, where applicable, include the other genders where applicable. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The pro forma financial effects of the Merger on ESR-REIT and all references to the historical pro forma financials of ESR-REIT in this Circular are for illustrative purposes only, and they are not intended to be nor shall they constitute profit forecasts.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Code, the Companies Act, the SFA, the Listing Manual or the Property Funds Appendix and used in this Circular shall, where applicable, have the meaning ascribed to it under the Code, the Companies Act, the SFA, the Listing Manual or the Property Funds Appendix, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Code, the Companies Act, the SFA, the Listing Manual and the Property Funds Appendix) contained in this Circular are of such laws and regulations (including the Code, the Companies Act, the SFA, the Listing Manual and the Property Funds Appendix) as at the Latest Practicable Date.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof, or discrepancies between figures included in the tables and figures in the text of this Circular, are due to rounding.

The headings in this Circular are for ease of reference only and are not to be taken into account in the interpretation or construction of this Circular or any of its contents.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the ESR-REIT Manager's current view of future events, and the ESR-REIT Manager does not undertake any obligation to update publicly or revise any forward-looking statements.

LETTER TO ESR-REIT UNITHOLDERS

ESR-REIT

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

Directors of ESR Funds Management (S) Limited (the "Directors"):

Registered Office:

Ms. Stefanie Yuen Thio	<i>(Independent Chairperson, Member of the Audit, Risk Management and Compliance Committee)</i>	8 Changi Business Park Avenue 1 #05-51, ESR
Mr. Ooi Eng Peng	<i>(Non-Executive Director, Deputy Chairman, Chairman of the Executive Committee, Member of the Audit, Risk Management and Compliance Committee, Member of the Nominating and Remuneration Committee)</i>	BizPark @ Changi (South Tower) Singapore 486018
Mr. Khor Un-Hun	<i>(Independent Non-Executive Director, Chairman of the Audit, Risk Management and Compliance Committee)</i>	
Dr. Leong Horn Kee	<i>(Independent Non-Executive Director, Member of the Audit, Risk Management and Compliance Committee)</i>	
Mr. Ronald Lim Cheng Aun	<i>(Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee and Member of the Audit, Risk Management and Compliance Committee)</i>	
Mr. Philip John Pearce	<i>(Non-Executive Director, Member of the Executive Committee)</i>	
Mr. Jeffrey David Perlman	<i>(Non-Executive Director, Member of the Nominating and Remuneration Committee, Member of the Executive Committee)</i>	
Mr. Tong Jinquan	<i>(Non-Executive Director)</i>	
Mr. Wilson Ang Poh Seong	<i>(Non-Executive Director)</i>	
Mr. Adrian Chui Wai Yin	<i>(Chief Executive Officer and Executive Director, Member of the Executive Committee)</i>	

25 February 2022

To: Unitholders of ESR-REIT

Dear Sir/Madam

1. INTRODUCTION

1.1 The Merger and the Scheme

On 15 October 2021, the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**") and ARA LOGOS Logistics Trust

Management Limited, as manager of ARA LOGOS Logistics Trust ("**ALOG**", and the manager of ALOG, the "**ALOG Manager**"), announced the proposed merger (the "**Merger**") of ESR-REIT and ALOG, to be effected through the acquisition by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (the "**ESR-REIT Trustee**") of all the units of ALOG (the "**ALOG Units**") held by the unitholders of ALOG (the "**ALOG Unitholders**"), in exchange for a combination of cash and units in ESR-REIT (the "**ESR-REIT Units**"), by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**"). On 15 October 2021, the board of directors of the ESR-REIT Manager also released the Acquisition Announcement.

On 22 January 2022, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued a further joint announcement (the "**Revised Joint Announcement**") in relation to, inter alia, the revision of the Scheme Consideration payable to the ALOG Unitholders pursuant to the Merger and the Scheme (the "**Revision**"). On 22 January 2022, the board of directors of the ESR-REIT Manager also released the Revised Acquisition Announcement.

For further details on the Scheme, please refer to the Joint Announcement, the Revised Joint Announcement and the revised scheme document dated 25 February 2022 issued by the ALOG Manager on behalf of ALOG to all the ALOG Unitholders in relation to the Merger and the Scheme (the "**Scheme Document**").

1.2 Summary of Approvals Sought

The Merger constitutes a major transaction under Rule 1014 of the Listing Manual and accordingly, requires the approval of the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**") under Rule 1014(2) of the Listing Manual. The issue of the ESR-REIT Units as consideration for the Scheme (the "**Consideration Units**") at an issue price of S\$0.4924 for each Consideration Unit also requires approval of the ESR-REIT Unitholders by way of an Ordinary Resolution.

Further, the Merger is an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") requiring the approval of the Independent ESR-REIT Unitholders.

In light of the above, the ESR-REIT Manager is seeking approval from the ESR-REIT Unitholders on each of the following resolutions at an extraordinary general meeting of the ESR-REIT Unitholders (the "**EGM**"):

- (a) Resolution 1: the Merger; and
- (b) Resolution 2: the proposed issue of new ESR-REIT Units to the ALOG Unitholders at an issue price of S\$0.4924 for each ESR-REIT Unit as part of the consideration for the Merger.

In respect of each of Resolution 1 and Resolution 2, the ESR-REIT Manager is seeking approval by way of Ordinary Resolutions.

ESR-REIT UNITHOLDERS SHOULD NOTE THAT RESOLUTION 1 AND RESOLUTION 2 ARE INTER-CONDITIONAL. ACCORDINGLY, IF EITHER OF THE RESOLUTIONS IS NOT APPROVED BY THE REQUISITE MAJORITY, THE SCHEME WILL NOT BE IMPLEMENTED. THESE RESOLUTIONS ARE ALSO CONDITIONAL UPON THE SCHEME BECOMING EFFECTIVE IN ACCORDANCE WITH ITS TERMS.

2. INFORMATION ON ESR-REIT AND THE ESR-REIT MANAGER

2.1 ESR-REIT

ESR-REIT is a Singapore-based REIT listed on the Main Board of the SGX-ST. The principal activity of ESR-REIT is to invest in quality income-producing industrial properties. ESR-REIT has a diversified portfolio which includes 56 properties located across Singapore, close to major transportation hubs and key industrial zones island-wide, with a total gross floor area of approximately 15.3 million square feet and total assets of S\$3.2 billion as at 31 December 2021¹¹. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial. ESR-REIT has a diversified tenant base of 360 tenants (as at 30 June 2021) and is listed on the SGX-ST. ESR-REIT also holds a 10.0% interest in ESR Australia Logistics Partnership ("**EALP**"), a private fund comprising 36 predominantly freehold logistics properties all located in Australia. The other unitholders of EALP are (a) One Funds Management Limited, in its capacity as trustee of ESR Queensland Hold Trust (10%), a wholly-owned subsidiary of the Sponsor; and (b) GIC (Realty) Private Limited, through its wholly-owned subsidiary (80%).

As at the Latest Practicable Date, ESR-REIT has in issue an aggregate of 4,035,006,891 ESR-REIT Units.

Based on (i) the audited consolidated financial statements of ESR-REIT and its subsidiaries (the "**ESR-REIT Group**") for the financial year ended 31 December 2020 ("**FY2020**") (the "**ESR-REIT FY2020 Financial Statements**"), (ii) the unaudited financial highlights of the ESR-REIT Group for the third quarter and nine (9) months ended 30 September 2021 announced by the ESR-REIT Manager on 27 October 2021 (the "**ESR-REIT 3Q2021 Financial Highlights**"), and (iii) the unaudited consolidated financial statements of the ESR-REIT Group for the full year ended 31 December 2021 ("**FY2021**") announced by the ESR-REIT Manager on 27 January 2022 (the "**ESR-REIT FY2021 Financial Statements**"), certain key financial information with respect to the ESR-REIT Group is set out in the table below:

¹¹ Based on reported total assets as of 31 December 2021 in the ESR-REIT FY2021 Financial Statements.

ESR-REIT Group	As at 31 December 2020 / FY2020	As at 30 September 2021 / 9M2021	As at 31 December 2021 / FY2021
Total assets (S\$'000)	3,187,393	3,393,357	3,329,765
Net asset value ("NAV") attributable to ESR-REIT Unitholders (S\$'000)	1,446,990	1,594,954	1,597,968
NAV per ESR-REIT Unit (S\$)	0.405	0.398	0.396
Distribution (S\$'000) for the relevant financial period	99,127	85,330	114,393
Distribution per unit ("DPU") (cents) for the relevant financial period	2.800	2.266	2.987

2.2 The ESR-REIT Manager

The ESR-REIT Manager was incorporated in Singapore on 14 September 2005 and currently holds a capital market services licence ("**CMS Licence**") for REIT management pursuant to the Securities and Futures Act 2001 of Singapore ("**SFA**"). ESR-REIT is managed by the ESR-REIT Manager, whose objective is to provide unitholders of ESR-REIT ("**ESR-REIT Unitholders**") with a stable and secure income stream through the successful implementation of the following strategies: (a) acquisition of value-enhancing properties, (b) proactive asset management, (c) divestment of non-core properties and (d) prudent capital and risk management.

As at the Latest Practicable Date:

- (i) the shareholders of the ESR-REIT Manager are:
 - (A) ESR Investment Management Pte. Ltd. ("**ESRIM**") (67.3%);
 - (B) Mitsui & Co. Ltd ("**Mitsui**") (7.7%); and
 - (C) Shanghai Summit Pte. Ltd. ("**SSPL**") (25.0%); and
- (ii) the directors of the ESR-REIT Manager are:
 - (A) Ms. Stefanie Yuen Thio (Independent Chairperson);
 - (B) Mr. Ooi Eng Peng (Non-Executive Director, Deputy Chairman);

- (C) Mr. Khor Un-Hun (Independent Non-Executive Director);
- (D) Dr. Leong Horn Kee (Independent Non-Executive Director);
- (E) Mr. Ronald Lim (Independent Non-Executive Director);
- (F) Mr. Wilson Ang (Non-Executive Director);
- (G) Mr. Philip Pearce (Non-Executive Director);
- (H) Mr. Jeffrey Perlman (Non-Executive Director);
- (I) Mr. Tong Jinquan (Non-Executive Director); and
- (J) Mr. Adrian Chui Wai Yin (Chief Executive Officer and Executive Director).

3. INFORMATION ON ALOG AND THE ALOG MANAGER

3.1 ALOG

ALOG is a REIT that is listed on the SGX-ST, which invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific. As at the Latest Practicable Date, ALOG's portfolio includes 30 (comprising nine (9) in Singapore and 21 in Australia, including the Heron Property acquired on 11 January 2022) high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia, with a total gross floor area of approximately one (1) million square metres as at 31 December 2021. ALOG also owns a 49.5% stake in the New LAIVS Trust and a 40.0% stake in the Oxford Property Fund as at the Latest Practicable Date. The New LAIVS Trust has a portfolio of four (4) logistics properties in Australia and the Oxford Property Fund holds one (1) logistics property in Australia.

The remaining 50.5% interest in the New LAIVS Trust is indirectly held by Ivanhoe Cambridge Inc. and the remaining interest in the Oxford Property Fund is held by Ivanhoe Cambridge Inc. (54.6%) and by another entity within the LOGOS Group (5.4%). Ivanhoe Cambridge Inc., through its wholly-owned subsidiary, Ivanhoe Cambridge Asia Inc. (formerly known as Ivanhoe Cambridge China Inc.) ("**Ivanhoe Cambridge Asia**"), is a substantial unitholder of ALOG and the LOGOS Group is the sponsor of ALOG.

As at the Latest Practicable Date, ALOG has in issue an aggregate of 1,452,870,872 ALOG Units.

Based on (a) the audited consolidated financial statements of ALOG and its subsidiaries (the "**ALOG Group**") for the financial year ended FY2020 (the "**ALOG FY2020 Financial Statements**"), (b) the unaudited financial highlights of the ALOG Group for the third quarter and nine (9) months ended 30 September 2021 announced by the ALOG Manager on 26 October 2021 ("**ALOG 3Q2021 Financial Highlights**"), and (c) the unaudited consolidated interim financial information of the ALOG Group for FY2021 announced by the ALOG Manager

on 25 January 2022 (the "**ALOG FY2021 Interim Financial Information**"), certain key financial information with respect to the ALOG Group is set out in the table below. The ALOG FY2021 Interim Financial Information and the ALOG 3Q2021 Financial Highlights, are set out in Appendix H and Appendix I to the Scheme Document respectively.

ALOG Group	As at 31 December 2020 / FY2020	As at 30 September 2021 / 9M2021	As at 31 December 2021 / FY2021
Total assets (S\$'000)	1,412,466	2,042,888	2,111,637
NAV attributable to ALOG Unitholders (S\$'000)	678,545	983,906	977,223
NAV per ALOG Unit (S\$)	0.57	0.68	0.67
Distribution (S\$'000) for the relevant financial period	58,828	53,883	70,373
DPU (cents) for the relevant financial period	5.250	3.899	5.034

3.2 The ALOG Manager

ALOG is managed by the ALOG Manager, which was incorporated in Singapore on 15 October 2009 and currently holds a CMS Licence for REIT management pursuant to the SFA.

As at the Latest Practicable Date:

- (a) the ESR Group owns 86.4%¹² of the ALOG Manager. On 4 August 2021, ESR Cayman Limited (the "**Sponsor**" and the Sponsor and its subsidiaries, the "**ESR Group**") announced (the "**ARA Acquisition Announcement**") that it entered into an acquisition agreement with, among others, ARA Asset Management Limited ("**ARA**") in relation to the proposed acquisition (the "**Proposed ARA Acquisition**") of 100% of the issued share capital and voting power in ARA. The Proposed ARA Acquisition was completed on 20 January 2022. The ALOG Manager is indirectly wholly-owned by the LOGOS Group¹³, which is 86.4% owned by the ESR Group on completion of the Proposed ARA Acquisition. LOGOS Property Group Limited is the sponsor of ALOG. Please refer to paragraph 2.2(c) of the Letter to ALOG Unitholders in the Scheme Document for further details of the Proposed ARA Acquisition; and

¹² As stated in the ARA Acquisition Announcement, the Sponsor plans to acquire the remaining interested in the LOGOS Group, which wholly owns the ALOG Manager, three (3) years after completion of the Proposed ARA Acquisition.

¹³ "**LOGOS Group**" refers to the LOGOS Property Group Limited group of companies.

(b) the directors of the ALOG Manager are:

- (i) Mr. Lim How Teck (Chairman and Non-Executive Director);
- (ii) Mr. Lim Lee Meng (Lead Independent Non-Executive Director and Chairman of the Audit Committee);
- (iii) Mr. Lim Kong Puay (Independent Non-Executive Director);
- (iv) Mr. Oh Eng Lock (Independent Non-Executive Director);
- (v) Mr. Stephen George Hawkins (Non-Executive Director); and
- (vi) Ms. Low Poh Choo (Non-Executive Director).

3.3 As at the Latest Practicable Date, LOGOS Units No. 1 Ltd ("**LOGOS Units**"), an indirect subsidiary of ARA, is the largest ALOG Unitholder holding a direct interest in 179,867,674 ALOG Units, representing approximately 12.38% of the total number of ALOG Units.

4. THE MERGER AND THE SCHEME

4.1 Implementation Agreement

Commercial discussions between the ESR-REIT Manager and the ALOG Manager on the feasibility of the Merger only commenced after the Sponsor's announcement on 4 August 2021 in relation to the Proposed ARA Acquisition. The ESR-REIT Manager brought onboard legal and financial advisers to evaluate the strategic and financial merits of the Merger, including the potential conflicts of interest due to overlapping mandates and the downside risks if the Proposed ARA Acquisition was completed, and the timing of the proposed Merger. An initial set of terms of the Merger was thoroughly evaluated at a meeting of the board of directors of the ESR-REIT Manager and approved by the ESR-REIT Recommending Directors. In this regard, Mr. Jeffrey Perlman, Mr. Philip Pearce and Mr. Tong Jinquan abstained from participating in the decision-making process of the board of the ESR-REIT Manager in respect of the Merger as (a) Mr. Jeffrey Perlman is the chairman and a director of the Sponsor; (b) Mr. Philip Pearce is the chief executive officer of ESR Real Estate (Australia) Pty Ltd, a wholly-owned subsidiary of the Sponsor, as well as a director of certain entities within the ESR Group; and (c) Mr. Tong Jinquan holds (together with his associates) a controlling interest in the ESR-REIT Manager as well as a controlling interest in ESR-REIT Units

Thereafter, the terms of the Merger were proposed to the ALOG Manager via a non-binding offer letter. The ALOG Manager also brought onboard advisers to evaluate the strategic and financial merits of the proposed Merger.

The ESR-REIT Manager would like to highlight that both prior to and after the announcement of the Proposed ARA Acquisition, as well as at all times during the negotiations between the ESR-REIT Manager and the ALOG Manager in respect of the Merger, and up to the Latest Practicable Date:

- (i) a majority of the boards of directors of both the ESR-REIT Manager and the ALOG Manager comprise directors who are independent of the Sponsor and ARA;
- (ii) all of the ESR-REIT Recommending Directors and the ALOG Independent Directors are independent of the Sponsor and ARA; and
- (iii) there has been no overlap of management teams between the ESR-REIT Manager and the ALOG Manager, and the management teams of both the ESR-REIT Manager and the ALOG Manager have remained the same.

In addition, information barriers are in place between the ESR-REIT Manager and the ALOG Manager to ensure that any information relating to ESR-REIT's business strategy or operations is not shared with ALOG (and vice versa), save for the limited exchange of information between the ESR-REIT Manager and the ALOG Manager for the sole purpose of conducting due diligence and to evaluate and implement the Merger.

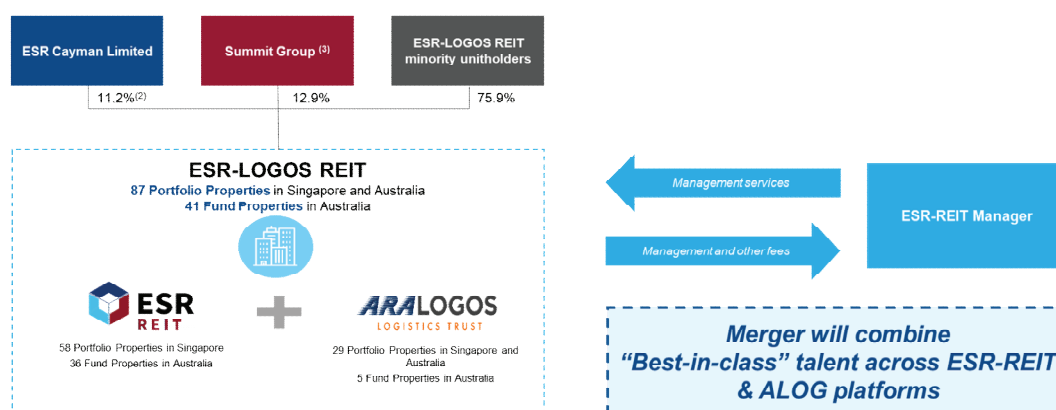
There were negotiations between the ESR-REIT Manager and the ALOG Manager before an in-principle agreement on the original Scheme Consideration of S\$0.950 per ALOG Unit was reached, and such discussions in relation to the Merger were conducted by the Chief Executive Officer ("**CEO**") and the management team of the ESR-REIT Manager within the mandate given and approved by the ESR-REIT Recommending Directors. This was followed by due diligence and other professional parties such as tax advisers and auditors were also brought onboard in September 2021 to commence legal and property due diligence on ALOG (and vice versa). Upon completion of satisfactory due diligence by both parties and the approval from the ESR-REIT Recommending Directors, the ESR-REIT Manager, the ESR-REIT Trustee, the ALOG Manager and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of ALOG) (the "**ALOG Trustee**") (each, a "**Party**" and collectively the "**Parties**") entered into an implementation agreement (the "**Implementation Agreement**") on 15 October 2021 setting out the terms and conditions on which the Parties will implement the Scheme.

In connection with the Revision, on 22 January 2022, the Parties entered into a supplemental letter amending and restating the Implementation Agreement, setting out the amended terms on which the Scheme will be implemented.

Please refer to the Joint Announcement and the Revised Joint Announcement for more information on the terms of the amended and restated Implementation Agreement.

4.2 **The ESR-LOGOS REIT Structure**

Upon completion of the Merger, it is intended that the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT". It is currently envisaged that the structure of ESR-LOGOS REIT upon completion of the Merger will be as follows:



Notes:

- (1) Illustrative pro forma unitholding structure based on latest available information as at 18 February 2022, based on a gross exchange ratio of 1.970x. The gross exchange ratio of 1.970x is derived by dividing the revised Scheme Consideration of S\$0.970 for each ALOG Unit by the issue price of S\$0.4924 for each new ESR-REIT Unit.
- (2) Comprises deemed interests held through holding entities.
- (3) Refers to Mr. Tong Jinquan and his associates.

4.3 Scheme Consideration

On 15 October 2021, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Joint Announcement in relation to the Merger and the Scheme. As stated in the Joint Announcement, the original Scheme Consideration payable pursuant to the Merger and the Scheme was S\$0.950 for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date, which would be satisfied by the payment of a sum of S\$0.095 in cash and the allotment and issuance of 1.6765 new ESR-REIT Units at an issue price of S\$0.510 for each new ESR-REIT Unit.

On 22 January 2022, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Revised Joint Announcement in relation to, *inter alia*, the revision of the Scheme Consideration payable to the ALOG Unitholders pursuant to the Merger and the Scheme (the "**Revision**").

Pursuant to the Implementation Agreement, each of the ESR-REIT Trustee and the ESR-REIT Manager will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.970 (the "**Scheme Consideration**") for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date, which shall be satisfied by:

- (a) firstly, the payment of a sum of S\$0.097 in cash (the "**Cash Consideration**"). The aggregate Cash Consideration to be paid to each ALOG Unitholder shall be rounded to the nearest S\$0.01; and
- (b) secondly, the allotment and issuance of 1.7729 new ESR-REIT Units (the "**Consideration Units**") at an issue price of S\$0.4924 for each Consideration Unit,

such Consideration Units to be credited as fully paid. The issue price of S\$0.4924 for each Consideration Unit represents (i) a premium of 5.9% over the closing price of the ESR-REIT Units of S\$0.465 as at 14 October 2021, being the last full trading day prior to the Joint Announcement Date; and (ii) a premium of 4.8% over the closing price of the ESR-REIT Units of S\$0.470 as at 21 January 2022, being the last full trading day prior to the Revised Joint Announcement Date.

No fractions of a Consideration Unit shall be allotted and issued to any ALOG Unitholder and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be allotted and issued to any ALOG Unitholder pursuant to the Scheme.

By way of illustration, if the Scheme becomes effective in accordance with its terms:

- (i) an ALOG Unitholder who holds 1,000 ALOG Units as at the Books Closure Date will receive S\$97.00 in cash and 1,772 Consideration Units; and**
- (ii) an ALOG Unitholder who holds 100 ALOG Units as at the Books Closure Date will receive S\$9.70 in cash and 177 Consideration Units.**

The Consideration Units shall:

- (A) when issued, be duly authorised, validly issued and credited as fully paid-up and shall rank *pari passu* in all respects with the existing ESR-REIT Units as at the date of their issue (and not as at the Joint Announcement Date or the date of the Revised Joint Announcement)¹⁴; and
- (B) be issued free from all and any Encumbrances and restrictions on transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

As ALOG Unitholders may receive odd lots of ESR-REIT Units as part of the consideration for their ALOG Units pursuant to the Scheme, the ALOG Manager will facilitate the trading of odd lots so that ALOG Unitholders who wish to round up or down their unitholding to the nearest board lot size of ESR-REIT Units (i.e. in multiples of 100 ESR-REIT Units) can do so. Please refer to paragraph 3 of Appendix A to the Scheme Document for further details of the arrangements implemented by the ALOG Manager for the trading of odd lots of ESR-REIT Units.

Based on the issue price of S\$0.4924 for each Consideration Unit, the value of the Scheme Consideration is S\$0.970 and implies a gross exchange ratio of 1.970x. A comparison of the revised Scheme Consideration and the original Scheme Consideration is outlined below:

- (I) the Cash Consideration has been raised by 2.1% from S\$0.095 per ALOG Unit to S\$0.097 per ALOG Unit;**

¹⁴

For the avoidance of doubt, the Consideration Units shall be issued with all rights, benefits and entitlements attaching on and from the date of their issue (and not as at the Joint Announcement Date or the date of the Revised Joint Announcement), including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the ESR-REIT Manager on or after the date of their issue.

- (II) the number of Consideration Units to be allotted and issued to each ALOG Unitholder has increased by **5.8% from 1.6765 new ESR-REIT Units to 1.7729 new ESR-REIT Units**; and
- (III) the gross exchange ratio (derived from the Scheme Consideration divided by the issue price of each Consideration Unit) has increased by **5.8% from 1.863x to 1.970x**.
- (IV) the unitholding dilution to ESR-REIT Unitholders has increased by **1.3% from 38.0%¹⁵ based on the original Scheme Consideration to 39.3%¹⁶ based on the revised Scheme Consideration**.

	Scheme Consideration per ALOG Unit	Aggregate Scheme Consideration	Implied Gross Exchange Ratio	Financial Metrics
Original Scheme Consideration	S\$0.950 (90% ESR-REIT Units issued at S\$0.510 and 10% cash)	S\$1.4 billion	1.863x	DPU Accretion: 5.8% Gearing: 42.1%
Revised Scheme Consideration	S\$0.970 (90% ESR-REIT Units issued at S\$0.4924 and 10% cash)	S\$1.4 billion	1.970x	DPU Accretion: 4.7%⁽¹⁾ Gearing: 42.1%

Notes:

- (1) Please refer to **Appendix D** of this Circular for further details on the pro forma assumptions.

The revised Scheme Consideration of S\$0.970 per ALOG Unit was determined based on extensive commercial negotiations between the ESR-REIT Manager and the ALOG Manager. Factors taken into account in arriving at the revised Scheme Consideration by determining the exchange ratio include (without limitation):

- (1) strong conviction that the Merger is the best way forward for both ALOG and ESR-REIT to address the potential conflicts of interest and enjoy the merits of the Merger as it would combine two (2) best-in-class platforms to form a leading New Economy APAC S-REIT supported by the ESR Group's resources;
- (2) recent selected mergers between REITs listed on the SGX-ST whose businesses are broadly comparable to ESR-REIT and ALOG;
- (3) valuation multiples of selected Singapore and Australia-listed industrial REITs which are broadly comparable with ESR-REIT and ALOG relative to those implied by the Merger;

¹⁵ Based on approximately 6,496.6 million ESR-LOGOS REIT units.

¹⁶ Based on approximately 6,637.9 million ESR-LOGOS REIT units.

- (4) the historical relative trading prices and metrics of ALOG Units and ESR-REIT Units which include price to net asset value, distribution yields and net property income yields;
- (5) balancing the respective financial impact to ALOG Unitholders and ESR-REIT Unitholders from a DPU and NAV per unit accretion and dilution perspective on a pro forma FY2020 basis;
- (6) the commercial rationale of the Merger (as set out in the Joint Announcement, the Scheme Document and paragraph 5 of the Revised Acquisition Announcement);
- (7) the quality of ALOG's portfolio and the continued robustness and strong demand of the overall Australian market, in particular in the logistics sector, which continues to see strong demand growth and capitalisation rate compression;
- (8) the gearing of the combined REIT post-Merger; and
- (9) other factors previously set out in the Joint Announcement, the Revised Joint Announcement and the Scheme Document.

The Scheme Consideration was based on, amongst other factors, (a) the issue price of S\$0.4924, by assessing the trading price range over the last six (6) months up to 14 October 2021 and brokers' / investment research houses' average target price consensus; and (b) the gross exchange ratio of 1.970x, taking into account, inter alia, the respective one (1)-day, one (1)-month, three (3)-month and six (6) month VWAP of the ESR-REIT Units and the ALOG Units as of 14 October 2021. The ESR-REIT Manager is of the view that with the completion of the rebranding of Cache Logistics Trust to "ARA LOGOS Logistics Trust" in April 2020, as well as the completion of the injection of the Australian assets of the LOGOS Group into ALOG in 1H2021, it would be more relevant to only compare the VWAPs of both REITs over the last six (6) months prior to the Joint Announcement Date.

Revision of the Issue Price

The exchange ratio implied by the original Scheme Consideration was computed using the issue price of S\$0.510 per ESR-REIT Unit and the original Scheme Consideration of S\$0.950 per ALOG Unit, which took into consideration the respective REITs' 52-week high and the trading volumes on those days. As the revised Scheme Consideration of S\$0.970 per ALOG Unit is higher than the 52-week high, for the purpose of deriving the revised issue price of the Consideration Units, the ESR-REIT Manager has considered the following for ESR-REIT: (a) the ESR-REIT Unit price performance over the last six (6) months up to 14 October 2021; and (b) brokers' / investment research houses' average target price consensus.

- (i) **Over the last six (6) months up to 14 October 2021, the revised issue price of S\$0.4924:**
 - remains within the trading range of S\$0.379 – S\$0.510; and

- represents a premium of 5.6%, 4.5%, 5.0%, 10.1% to the one (1)-day, one (1)-month, three (3)-month and six (6)-month volume weighted average price ("VWAP") respectively.

	VWAP (S\$)	Highest Price (S\$)	Lowest Price (S\$)	Premium of Issue Price to VWAP
14 October 2021	0.466	0.470	0.460	5.6%
Last one (1) month (15 September – 14 October 2021)	0.471	0.485	0.450	4.5%
Last three (3) months (15 July – 14 October 2021)	0.469	0.510	0.429	5.0%
Last six (6) months (15 April – 14 October 2021)	0.447	0.510	0.379	10.1%

Source: FactSet.

- (ii) **The revised issue price of S\$0.4924 is also in line with brokers' / investment research houses' average target price consensus as of 14 October 2021.**

Broker / Investment Research House	Target Price	Date of Report
RHB Research	S\$0.54	7 October 2021
CGS-CIMB	S\$0.54	29 September 2021
DBS	S\$0.53	27 September 2021
Maybank	S\$0.55	9 September 2021
Morningstar	S\$0.44	7 September 2021
SooChow CSSD Capital Markets	S\$0.48	26 July 2021
Daiwa Securities	S\$0.42	23 July 2021
Morningstar	S\$0.44	7 May 2021
Median	S\$0.51	
Average	S\$0.49	
Low	S\$0.42	
High	S\$0.55	

Source: Bloomberg.

Overall, given the above, the ESR-REIT Manager is of the view that the revised issue price of S\$0.4924 for each ESR-REIT Unit continues to be beneficial from the perspective of the ESR-REIT Unitholders.

Benchmarking of Implied Gross Exchange Ratio

Illustratively, the table below also outlines the historical implied gross exchange ratio between the ALOG Units and ESR-REIT Units based on their VWAPs for the selected reference periods up to and including 14 October 2021.

Historical Gross Exchange Ratio Reference period	VWAP (S\$)		Implied gross exchange ratio	Implied premium / (discount) to Gross Exchange Ratio (%) ⁽²⁾
	ESR-REIT	ALOG		
For periods up to and including 14 October 2021 ⁽¹⁾				
14 October 2021	0.466	0.929	1.992x	(1.1)
1 month	0.471	0.928	1.969x	0.1
3 months	0.469	0.914	1.948x	1.1
6 months	0.447	0.876	1.960x	0.5

Source: FactSet.

Notes:

- (1) Periods analysed are as follows – (a) Closing price as at 14 October 2021; (b) the period of one (1) month from 15 September 2021 up to 14 October 2021 (both dates inclusive); (c) the period of three (3) months from 15 July 2021 up to 14 October 2021 (both dates inclusive); and (d) the period of six (6) months from 15 April 2021 up to 14 October 2021 (both dates inclusive).
- (2) Refers to the premium of the exchange ratio to the implied exchange ratio based on the respective volume weighted average prices for each period.

The implied gross exchange ratio of 1.970x represents a premia / (discount) of (1.1)%, 0.1%, 1.1%, and 0.5% over the implied exchange ratio between the ESR-REIT Units and the ALOG Units of 1.992x, 1.969x, 1.948x, and 1.960x as at 14 October 2021, and for the one (1)-month, three (3)-month and six (6)-month periods up to and including 14 October 2021 respectively. The IFA has also evaluated whether the gross exchange ratio of 1.970x implied by the Scheme Consideration payable for each ALOG Unit is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders. Taking into account the gross exchange ratio and other factors set out in the IFA Letter (as defined herein), the prevailing conditions as at the Latest Practicable Date, and subject to the assumptions and qualifications set out in the IFA Letter, the IFA has opined, *inter alia*, that the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

Benchmarking versus Completed S-REIT Mergers

Overall, the revised Scheme Consideration offers ESR-REIT Unitholders one of the highest DPU accretion amongst completed S-REIT mergers. In determining the composition of the cash and unit components of the Scheme Consideration, the ESR-REIT Manager took into consideration the post-Merger pro forma gearing level that it was comfortable with, as well as the other capital management benefits that come with a larger platform such as potentially lower costs of funds, increased flexibility in loan terms, access to different lending banks and wider sources of capital.

Announcement Date	Acquirer	Target	Cash Component	Unit Component	DPU Accretion for Acquirer	Gearing for Merged Entity
18 May 2018	ESR-REIT	Viva Industrial Trust	10.0%	90.0%	5.6%	38.9%
8 April 2019	OUE Commercial REIT	OUE Hospitality Trust	5.0%	95.0%	2.1%	40.3%
3 July 2019	Ascott Residence Trust	Ascendas Hospitality Trust	5.0%	95.0%	2.5%	36.9%
2 December 2019	Frasers Logistics & Industrial Trust	Frasers Commercial Trust	9.0%	91.0%	0.6% ⁽¹⁾	35.7% ⁽¹⁾
22 January 2020	CapitaLand Mall Trust	CapitaLand Commercial Trust	12.2%	87.8%	4.1%	39.7%
	Median		9.0%	91.0%	2.5%	38.9%
	Average		8.2%	91.8%	3.0%	38.3%
	Low		5.0%	87.8%	0.6%	35.7%
	High		12.2%	95.0%	5.6%	40.3%

Revised Scheme Consideration	10.0%	90.0%	4.7%⁽²⁾	42.1%⁽²⁾
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Source: Latest company filings.

Note:

- (1) Based on Frasers Logistics & Industrial Trust DPU accretion on a post-merger basis, but excluding completion of the remaining 50% of Farnborough Business Park.
- (2) Based on pro forma FY2020 financial results.

Based on the various analysis and considerations put forth, the ESR-REIT Manager is of the view that the revised Scheme Consideration of S\$0.970 per ALOG Unit, viewed together with the revised issue price of S\$0.4924 and the implied gross exchange ratio of 1.970x, continues to be financially attractive for ESR-REIT Unitholders, and in addition, the strategic merits of the Merger continue to remain intact.

4.4 Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement:

- (a) the ALOG Manager is permitted to announce, declare, pay or make distributions to the ALOG Unitholders (the "**ALOG Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ALOG Unitholders in respect of the period from the day following the latest completed financial quarter of ALOG preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income); and
- (b) the ESR-REIT Manager is permitted to announce, declare, pay or make distributions to the ESR-REIT Unitholders (the "**ESR-REIT Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ESR-REIT Unitholders in respect of the period from the day following the latest completed financial quarter of ESR-REIT preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income).

For the avoidance of doubt:

- (i) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall include any distributions declared, paid or made by the ALOG Manager or the ESR-REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of any undistributed profits from overseas operations, tenant incentives compensation from any vendors, and any rental guarantee; and
- (ii) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall not include distributions declared, paid or made by the ALOG Manager or the ESR-REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of (A) proceeds received in connection with the sale of any of the ALOG Real Properties or ESR-REIT Real Properties (as the case may be); and/or (B) gains arising from disposals of investment properties prior to the date of the Implementation Agreement and which have not been distributed to the ALOG Unitholders or the ESR-REIT Unitholders (as the case may be) prior to the date of the Implementation Agreement.

The Parties shall be entitled to announce, declare, pay or make the ALOG Permitted Distributions and ESR-REIT Permitted Distributions (as the case may be) without any adjustment to the Scheme Consideration.

The ALOG Unitholders shall have the right to receive and retain the ALOG Permitted Distributions in addition to the Scheme Consideration.

The ESR-REIT Manager reserves the right to adjust the Scheme Consideration by reducing the cash component of the Scheme Consideration, the unit component of the Scheme Consideration or by any combination of such cash and unit components of the Scheme Consideration, if and to the extent any distribution in excess of the ALOG Permitted Distributions is announced, declared, made or paid by the ALOG Manager on or after the date of the Implementation Agreement.

4.5 **Scheme Conditions**

The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the "**Scheme Conditions**") as set out in the Implementation Agreement and reproduced in **Appendix B** to this Circular.

The status of each Scheme Condition as at the Latest Practicable Date is also set out in **Appendix B** to this Circular.

The Scheme will become effective upon the written notification to the Monetary Authority of Singapore ("**MAS**") of the grant of the order of the Court sanctioning the Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore (the "**Scheme Court Order**"), which shall be effected by or on behalf of the ESR-REIT Manager on a date to be mutually agreed in writing between the ESR-REIT Manager and the ALOG Manager, being a date within 25 Business Days from the date on which the last of the Scheme Conditions set out in paragraphs (a), (b), (c), (d), (e) and (k) of **Appendix B** to this Circular is satisfied in accordance with the terms of the Implementation Agreement (the "**Effective Date**"), provided that the rest of the Scheme Conditions are satisfied or waived on the date falling on the Business Day immediately preceding the Effective Date (the "**Record Date**"), as the case may be, in accordance with the terms of the Implementation Agreement.

4.6 **Termination**

The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time on or prior to the Record Date (subject to prior consultation with the SIC, and the SIC giving its approval for, or stating that it has no objection to, such termination), in certain circumstances specified in the Implementation Agreement.

4.7 **Break Fee and Reverse Break Fee**

(a) **Break Fee**

Pursuant to the terms of the Implementation Agreement:

- (i) subject to the exercise of the Switch Option under the Implementation Agreement, the ALOG Trustee agrees and undertakes that it shall compensate the ESR-REIT Trustee and/or the ESR-REIT Manager for costs and expenses reasonably incurred by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ESR-REIT Trustee and/or the ESR-

REIT Manager in connection with the Merger and/or the Scheme) (the "**Break Fee**"), if any of the following occurs:

- (A) the ESR-REIT Trustee or the ESR-REIT Manager terminates the Implementation Agreement pursuant to (1) a breach of representations and warranties by any of the ALOG Trustee or the ALOG Manager under the Implementation Agreement which is material in the context of the Scheme; or (2) a prescribed occurrence relating to the ALOG Group having occurred under the Implementation Agreement which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days (or such other period as the parties to the Implementation Agreement may mutually agree in writing) after being given notice by the ESR-REIT Trustee or the ESR-REIT Manager to do so; and/or
- (B) an ALOG Competing Proposal becomes or is declared unconditional in all respects or is completed or becomes effective (or the equivalent in respect of any of the foregoing),

provided that the Break Fee will be capped at an amount equal to S\$7.5 million; and

- (ii) the obligation to pay the Break Fee as described in this paragraph 4.7(a) shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the ALOG Trustee described in this paragraph 4.7(a), if any, have been satisfied.

For the avoidance of doubt, no Break Fee is payable by the ALOG Trustee to the ESR-REIT Trustee in connection with the Revision and/or the amendment and restatement of the Implementation Agreement.

(b) **Reverse Break Fee**

Pursuant to the terms of the Implementation Agreement:

- (i) the ESR-REIT Trustee agrees and undertakes that it shall compensate the ALOG Trustee and/or the ALOG Manager for costs and expenses reasonably incurred by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme) (the "**Reverse Break Fee**"), if any of the following occurs:
 - (A) the ALOG Trustee or the ALOG Manager terminates the Implementation Agreement pursuant to (1) a breach of representations and warranties by any of the ESR-REIT Trustee or the ESR-REIT Manager under the Implementation Agreement which is material in the

context of the Scheme; or (2) a prescribed occurrence relating to the ESR-REIT Group having occurred under the Implementation Agreement which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days (or such other period as the parties to the Implementation Agreement may mutually agree in writing) after being given notice by either of the ALOG Trustee or the ALOG Manager to do so; and/or

- (B) an ESR-REIT Competing Proposal becomes or is declared unconditional in all respects or is completed or becomes effective (or the equivalent in respect of any of the foregoing),

provided that the Reverse Break Fee will be capped at an amount equal to S\$7.5 million; and

- (ii) the obligation to pay the Reverse Break Fee as described in this paragraph 4.7(b) shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the ALOG Trustee described in this paragraph 4.7(b), if any, have been satisfied.

For the avoidance of doubt, no Reverse Break Fee is payable by the ESR-REIT Trustee to the ALOG Trustee in connection with the Revision and/or the amendment and restatement of the Implementation Agreement.

5. RATIONALE FOR THE REVISED SCHEME CONSIDERATION

5.1 Growth of ESR-REIT and ALOG likely to be negatively impacted if conflicts of interest arising between ESR-REIT and ALOG from a common sponsor are not resolved

The Proposed ARA Acquisition was completed on 20 January 2022. Accordingly, the ESR Group is now an indirect majority controlling shareholder of the LOGOS Group. Following the completion of the Proposed ARA Acquisition, both ESR-REIT and ALOG share a common sponsor, and have overlapping mandates. Since ESR-REIT and ALOG have overlapping mandates, conflicts of interest will inevitably arise which may negatively impact both REITs' growth potential. In the absence of the Merger, both ESR-REIT and ALOG will have to compete for the common pipeline of new assets and operational and financial resources from the ESR Group and will also be competing against each other for new assets and tenants from third parties. In addition, if an equity fundraising exercise is required to fund a proposed acquisition, both ESR-REIT and ALOG will be competing for the Sponsor's resources to support the fundraising (including any backstopping of the fundraising). The growth potential of both ESR-REIT and ALOG will be negatively impacted as standalone sub-scale REITs with higher cost of capital and lower trading liquidity. The Merger will address the issue of overlapping mandates in relation to asset pipeline, tenant and operational network, and financial resources and allow better economies of scale.

The Merger will address these potential conflicts and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders. The enlarged ESR-REIT, to be renamed ESR-LOGOS REIT, will enjoy access to the Sponsor's New Economy pipeline of more than US\$59 billion, development work-in-progress of over US\$10 billion¹⁷ and a development pipeline of over 9 million square metres across 10 countries¹⁸, in addition to the committed financial and operational support from the Sponsor. If ESR-REIT and ALOG were to continue to operate independently, the Sponsor would have to split its resources to support two REITs with overlapping investment mandates. Over time, both ESR-REIT and ALOG may not be able to fully leverage the ESR Group's resources for sustainable growth and would have to compete for the same pool of resources from the Sponsor or even for the same third party assets.

If the Merger is not successful, the ESR Group could resolve the conflicts by (a) selling the manager of ESR-REIT or ALOG to a third party, and in such an instance, the manager, and by reference the REIT, that is sold will not be able to leverage on the ESR Group's asset pipelines, tenant and operational network and financial resources (collectively, the "**Sponsor Resources**"), or (b) divestment of either REIT's portfolio of assets, some of which are under non-sale moratoriums imposed by JTC Corporation ("**JTC**"). It is the ESR-REIT Manager's opinion that either of such options is not in the interests of either REIT's unitholders as it curtails the REIT's growth prospects which may result in either REIT losing its current premium to NAV pricing.

In addition, a sale of the ESR-REIT Manager which results in the ESR-REIT Manager ceasing to be a subsidiary (whether directly or indirectly) of the Sponsor, will trigger the change in control provisions in ESR-REIT's existing debt facilities of an aggregate outstanding principal amount of approximately S\$1.29 billion. Any potential buyer of the ESR-REIT Manager is likely required to obtain debt financing to replace such existing debt facilities, and there is no guarantee that the new financing terms will be more favourable than ESR-REIT's current financing terms. Such change in control provisions are common in S-REIT debt facilities given the sponsor's support and credit profile are key to the performance of a REIT.

5.2 **Proxy Advisers recommended that ALOG Unitholders vote against the Scheme based on the original Scheme terms**

The revised Scheme Consideration is being proposed as proxy advisers, Glass, Lewis & Co and Institutional Shareholder Services, issued reports on 14 January 2022 and 15 January 2022 respectively, recommending that ALOG Unitholders vote against the Scheme based on the original Scheme terms. ESR-REIT has taken into account the views of the proxy advisers that the original terms of the Scheme were not compelling for ALOG Unitholders and most of the benefits of the Merger will accrue to ESR-REIT Unitholders, and decided to revise the Scheme Consideration as set out in the Revised Acquisition Announcement to seek a better balance for both ALOG Unitholders and ESR-REIT Unitholders.

¹⁷ ESR Group data as of 30 June 2021.

¹⁸ 2021-2023 pipeline as of the financial quarter ended 31 March 2021.

5.3 Compression of capitalisation rates for Australia industrial / logistics properties due to strong underlying fundamentals

The Australia industrial / logistics sector remains highly sought-after as it continues to be supported by strong underlying fundamentals of robust demand and moderate supply. Macro factors such as the accelerated growth of e-commerce and restructuring of supply chains have resulted in elevated take up rates, low vacancy and strong rental growth across Brisbane, Melbourne and Sydney in the financial quarter ended 31 December 2021 ("4Q2021") and is expected to continue over the next 12 months. According to a report by Colliers, economic growth nationally is forecasted to grow by 6.4% in 2022. The ongoing rollout of the vaccine and continued fiscal policy support are expected to drive robust growth over the next five (5) years. The Australian economy is expected to grow by approximately 3.0% per annum over such period. For the industrial and logistics sector, online retail sales have grown strongly given recent lockdowns, with online retail now representing 14.3% of total retail sales, and will continue to support industrial leasing activity. For example, Brisbane's occupier demand for 2021 reached 690,000 square metres, which is more than double the 320,000 square metres recorded in 2020. Vacancy rates in 4Q2021 remain low at 2.6%, with rents increasing by up to 4.9% from the previous year¹⁹. Due to the favourable fundamentals coupled with strong investor demand and a low interest rate environment, Australia industrial / logistics properties have experienced strong capital appreciation through the compression of capitalisation rates. For 2021, capitalisation rates for Brisbane compressed by approximately 128 basis points and are now averaging at 4.18% while capitalisation rates for Melbourne and Sydney have compressed by approximately 133 basis points and 98 basis points, respectively and are averaging at 3.78% and 3.53% respectively²⁰.

6. RATIONALE FOR THE MERGER

The Merger is a combination of two (2) "best-in-class" platforms to create a well-diversified portfolio with a broader geographic diversification while maintaining strategic focus in developed markets. With S\$5.4 billion²¹ of total assets, ESR-LOGOS REIT will hold 87 Portfolio Properties²² (including 20 in Australia) and 41 Fund Properties²³ in Australia to manage a total net leasable area of 2.2 million square metres (24.1 million square feet)²⁴. This will also create a more resilient and diversified platform that is well-positioned to leverage on the Sponsor's New Economy²⁵ real estate pipeline for future growth.

Based on the Scheme Consideration, the Merger remains financially attractive for ESR-REIT Unitholders with a 4.7% DPU accretion on a FY2020 pro forma basis and a 1.7% DPU accretion on a FY2021 pro forma basis. Further details on the pro forma financial effects of the Merger (and the related transactions in connection therewith) are set out in **Appendix D** to this Circular. It is also important to highlight that the pro forma DPU accretion excludes any operational and

¹⁹ Source: Colliers Industrial Market Commentary for Brisbane, Melbourne, and Sydney for 4Q2021.

²⁰ Source: Colliers Industrial Market Commentary for Brisbane, Melbourne, and Sydney for 4Q2021.

²¹ Based on reported total assets as of 30 June 2021.

²² "Portfolio Properties" refer to all properties owned either directly or indirectly but excludes Fund Properties.

²³ "Fund Properties" refer to all properties owned either directly or indirectly through investment funds.

²⁴ Unless otherwise stated, all references to ESR-LOGOS REIT, ESR-REIT and ALOG portfolio metrics in this Circular are as at 30 June 2021 and have not been adjusted for ESR-REIT's divestments of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East which were completed on 30 November 2021, and 28 Senoko Drive, which was completed on 14 January 2022, and ALOG's acquisition of the Heron Property, which was completed on 11 January 2022.

²⁵ "New Economy" refers to logistics / warehouses and High-Specs industrial sectors.

trust level savings or potential synergies from the Merger. The ESR-REIT Manager also remains confident that the increase in scale will continue to reduce cost of capital and/or widen access to funding for ESR-REIT Unitholders.

The ESR-REIT Manager continues to view ALOG as a strategic fit with ESR-REIT's existing portfolio providing additional exposure to premium in-demand logistics assets. Together, ESR-REIT and ALOG are both in the right sector and in a good position to accelerate exposure to the sustainable in-demand New Economy real estate, driven by the rapid rise of e-commerce and paradigm shifts in global manufacturing supply chains. The strategic rationale for the Merger as set out in the circular to ESR-REIT Unitholders dated 5 January 2022 remains the same.

ESR-REIT Unitholders are advised to read the information in this paragraph 6 carefully.

6.1 **The Merger will Resolve Conflicts of Interest Arising from a Common Sponsor**

As stated in the Joint Announcement, the completion of the Merger is conditional upon, *inter alia*, the completion of the Proposed ARA Acquisition.

The Proposed ARA Acquisition was completed on 20 January 2022, with both ESR-REIT and ALOG now sharing a common sponsor. As ESR-REIT and ALOG have overlapping mandates, the issue of potential conflicts of interest has crystallised and will negatively impact both REITs in terms of access to the Sponsor Resources. The Merger will address these potential conflicts and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders, and continue to satisfy and deliver longer-term value creation for both sets of unitholders.

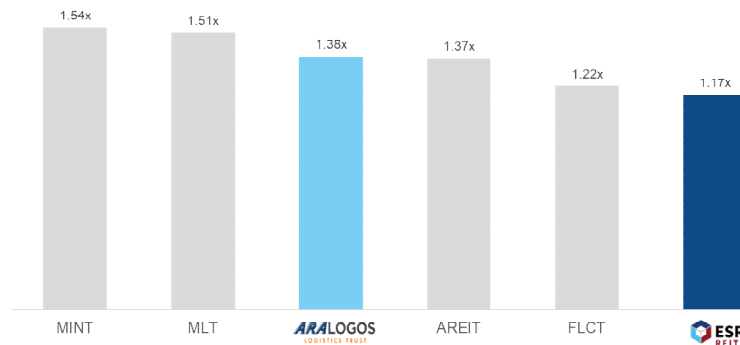
If the Merger does not go through, the issue of potential conflicts of interest will remain which would result in uncertainty for either set of unitholders. The ESR Group could resolve this issue of potential conflicts of interest by undertaking any of the following:

- (a) **Sale of the manager of ESR-REIT or ALOG.** In such an instance, the manager, and by reference the REIT, that is sold will not be able to leverage on the ESR Group's Sponsor Resources.

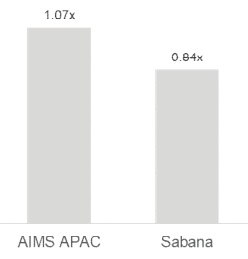
The support of a sponsor, especially the availability of an asset pipeline and financial resources, has always been critical to the growth of a S-REIT and its valuation multiples. Illustratively, S-REITs which are backed by "blue-chip" developer sponsors tend to trade at a premium to their net asset values and/or have more competitive costs of capital (e.g. lower cost of debt and better loan terms) due to the availability of the Sponsor Resources.

Premium to Net Asset Value⁽¹⁾

Developer sponsored industrial / logistics S-REITs
(Average: 1.36x)



Non-developer sponsored industrial / logistics S-REITs
(Average: 0.96x)



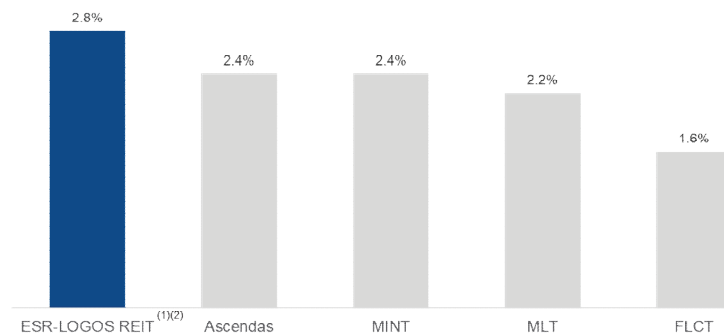
Source: FactSet, Company filings as of 30 September 2021.

Note:

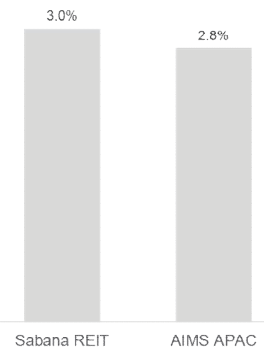
(1) Based on closing price as of 14 October 2021 and NAV as of 30 September 2021.

Cost of debt

Developer sponsored industrial / logistics S-REITs
(Average: 2.29%)



Non-developer sponsored industrial / logistics S-REITs
(Average: 2.90%)



Source: Company filings as of 30 September 2021.

Note:

- (1) Unsecured banking facilities at an approximate all-in interest cost of 2.25% provided by DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch.
- (2) Includes new debt to finance the Cash Consideration payable under the Scheme, the refinancing of ALOG's existing debt, derivative liabilities, upfront land premium, stamp duty, estimated professional and other fees and expenses relating to the Merger.

Should the Sponsor sell the manager of either ESR-REIT or ALOG to a third party, the Sponsor Resources are not likely to be available to the manager and, by extension, the REIT. This may result in either REIT potentially losing its "halo" effect and its current premium to net asset value if the ESR Group divests its manager as the Sponsor

Resources will no longer be available. This could potentially result in the unit price of the REIT (post sale of the manager) trading close to or at net asset value.

In addition, a sale of the ESR-REIT Manager which results in the ESR-REIT Manager ceasing to be a subsidiary (whether directly or indirectly) of the Sponsor, will trigger the change in control provisions in ESR-REIT's existing debt facilities of an aggregate outstanding principal amount of approximately S\$1.29 billion. Any potential buyer of the ESR-REIT Manager is likely required to obtain debt financing to replace such existing debt facilities, and there is no guarantee that the new financing terms will be more favourable than ESR-REIT's current financing terms. Such change in control provisions are common in S-REIT debt facilities given the sponsor's support and credit profile are key to the performance of a REIT.

(b) **Divestment of either ESR-REIT's or ALOG's underlying asset portfolio and return of capital to the unitholders. The ESR-REIT Manager believes such portfolio divestment might not maximise unitholder value given the following considerations:**

- (i) **ESR-REIT is currently trading at a premium to its NAV and subsequent asset divestments may not achieve such premium.** As of 30 September 2021, the unit price of ESR-REIT was trading at a premium of close to 20%²⁶ to its NAV. It would be challenging to divest the entire underlying asset portfolio of ESR-REIT to crystallise a similar premium pricing to its NAV. Further, such a divestment would also result in ESR-REIT Unitholders ceasing to have an interest in the returns from the existing portfolio of assets. On the contrary, the Merger would allow ESR-REIT Unitholders to continue to be invested in ESR-REIT's existing portfolio through their interests in the Enlarged REIT and also benefit from potential growth opportunities which may arise from the Enlarged REIT's access to the Sponsor's Resources.
- (ii) **Associated costs and financing constraints may limit the purchase consideration offered by potential acquirers.** Potential acquirers of either REIT's portfolio of assets may require acquisition debt financing, which could be limited by the valuations of the underlying assets. In addition, a direct divestment of portfolio assets could result in additional costs relating to stamp duties and upfront land premium (for acquirers), which would affect the price offered by potential acquirers.
- (iii) **Limited buyer pool given the highly-regulated nature of the Singapore industrial market.** ESR-REIT's entire portfolio of Singapore assets is located on JTC industrial land and is subject to JTC's regulation. As there are stringent qualifying criteria imposed on buyers of such properties, the pool of potential

²⁶

With reference to ESR-REIT's closing price of S\$0.465, one (1)-month VWAP of S\$0.471 and three (3)-month VWAP of S\$0.469, as of the last full trading day immediately prior to the Joint Announcement Date, and the NAV per ESR-REIT Unit of S\$0.398 as of 30 September 2021.

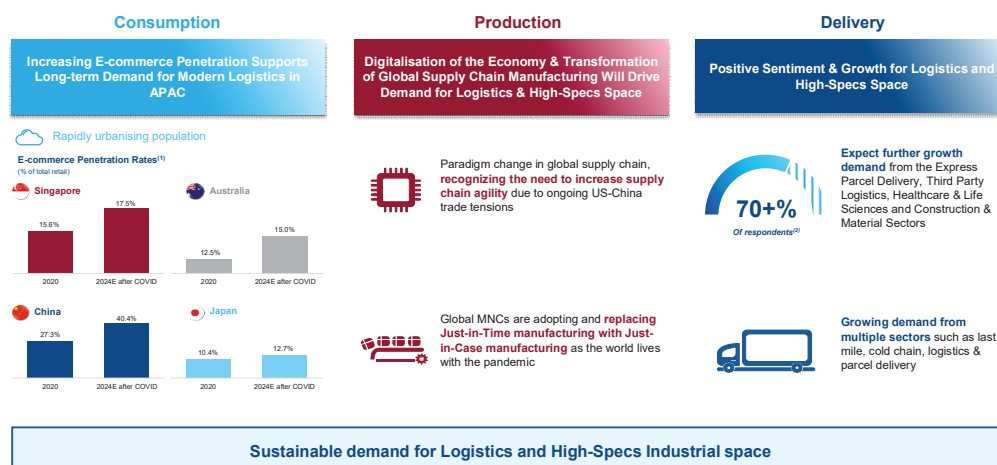
buyers is likely to be limited to end-users and entities which hold capital markets services licences.

- (iv) **Non-sale moratoriums for certain assets will result in an incomplete portfolio sale, putting ESR-REIT in a weaker position.** Certain assets are under non-sale moratoriums imposed by JTC. The inability to sell such assets would result in an incomplete portfolio sale, which may put ESR-REIT in a weaker negotiation position. Importantly, this would also mean that ESR-REIT may still be competing with ALOG for similar tenants to lease these assets to, and conflicts of interest would still be present. A partial disposal of the portfolio may also leave ESR-REIT with a portfolio of sub-optimal assets as it would be difficult for these assets to attract potential acquirers given their limited redevelopment potential, shorter land leases and limited rental upside. The smaller portfolio size following a partial sale may also impact ESR-REIT's trading liquidity and valuation, in particular, ESR-REIT's continued inclusion in the EPRA Index, as well as its ability to access wider sources of capital and secure competitive cost of capital.

6.2 Increased Exposure to Sustainable "In-Demand" Logistics and High-Specs Properties

- (a) **Largest Secular Growth Opportunity in Asia.** The ESR-REIT Manager is of the view that the High-Specs industrial and, in particular, the logistics sector in Asia remains the largest secular opportunity in Asia given the paradigm shift in the way goods are consumed, produced and delivered, exacerbated by technological improvements which are expected to continue to drive sustainable demand for logistics and High-Specs industrial space for the following reasons:
 - (i) **Consumption: Increasing e-commerce penetration.** With a rising urbanised population, e-commerce penetration rates are also expected to increase, thus supporting long-term demand for modern logistics in the Asia-Pacific ("APAC") region.
 - (ii) **Production: Transformation in global supply chain manufacturing.** Continued US-China trade tensions have highlighted weak points and uncertainties in the global supply chain networks for production. While the globalisation of supply chains has enabled cost effective and efficient movement of goods around the world, the COVID-19 pandemic has intensified the need for more agility and flexibility across supply chains and localisation of manufacturing activities. Increasingly, industrialists have been holding a reserve of both raw materials and finished products in response to the pandemic, signalling a shift from a Just-in-Time inventory-production model to a Just-in-Case inventory-production approach towards manufacturing. A consequence of this phenomenon is the expansion of the supply chain footprint, and accelerated demand as occupiers seek a different cost / resilience trade-off and look to localise production and sourcing.
 - (iii) **Delivery: Digitalisation of the economy.** COVID-19 has also been a reality check for businesses that have been reluctant to embrace digital

transformation, but are now scrambling to migrate operations and workforce to a digital environment. According to a survey conducted by Jones Lang LaSalle Incorporated ("JLL")²⁷, more than 70% of respondents expect further growth in demand from the express parcel delivery, third party logistics, healthcare and life sciences and construction and material sectors. The ESR-REIT Manager is of the view that this will drive further growth in occupier demand from New Economy sectors such as last mile, cold chain, logistics and parcel.



Notes:

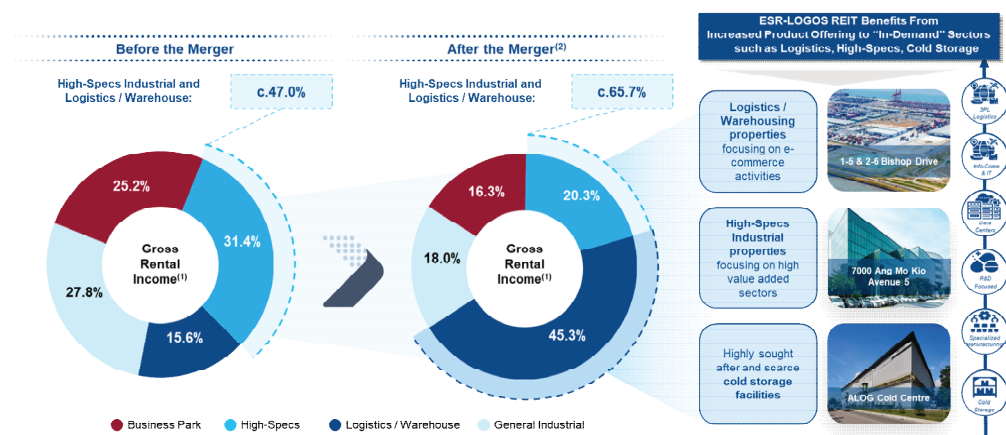
- (1) Based on Euromonitor.
- (2) Based on JLL Global Logistics Survey conducted in April 2021.

- (b) **Increased Portfolio Exposure to "In-Demand" Sectors.** The Merger will accelerate the transformation of ESR-LOGOS REIT into a Future-Ready APAC REIT, with 65.7%²⁸ exposure to "in-demand" sectors such as logistics and High-Specs industrial. This provides ESR-LOGOS REIT with outsized exposure to benefits from the largest secular growth opportunity in Asia, leveraging the integrated value chain of consumption, production and delivery, to create an environment of sustainable demand for New Economy real estate whilst enjoying favourable supply dynamics. Such real estate includes (i) logistics and High-Specs industrial space focused on e-commerce growth, (ii) high value-added manufacturing such as precision engineering, (iii) data centres, and (iv) cold storage facilities.

Importantly, this positions ESR-LOGOS REIT's portfolio to benefit from the increased demand for New Economy real estate for the reasons outlined in paragraph 6.2(a) above. With a larger portfolio, ESR-LOGOS REIT will also be able to offer tenants a more comprehensive suite of "in-demand" offerings, in areas such as logistics, High-Specs industrial and cold storage and/or redevelop the older, more dated general industrial properties to High-Specs industrial properties suitable for advanced manufacturing and data-centre operators.

²⁷ Based on JLL Global Logistics Survey conducted in April 2021.

²⁸ Based on Gross Rental Income ("GRI") for the month of June 2021. Excludes contribution from Fund Properties.



Notes:

(1) Based on GRI for the month of June 2021. Excludes contribution from Fund Properties.

(2) Any discrepancies in aggregated figures are due to rounding.

- (c) **Increased Strategic Presence in Australia's Attractive Logistics Market.** The Merger will add 17 freehold and three (3) leasehold Australia logistics properties, including stakes in two (2) Australia logistics-focused funds, increasing ESR-LOGOS REIT's presence in the highly attractive Australia logistics market. This is in line with ESR-REIT's strategy to scale up presence in developed markets with direct access to freehold properties.



Notes:

(1) Data as at 30 June 2021 unless otherwise stated.

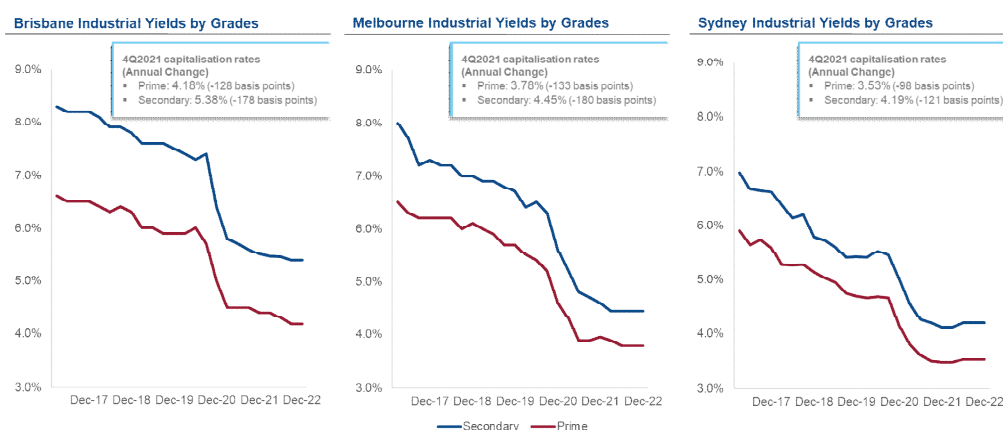
(2) Comprises 32 income-producing assets, two (2) development properties and two (2) land parcels as at 1 October 2021. The 32 income-producing assets include 450 Sherbrooke Road, Phase 2, Queensland which was completed as at 30 September 2021 but exclude 164-166 Newton Road, Wetherill Park, New South Wales and 7 Modal Crescent, Canning Vale, Western Australia which were divested on 17 August 2021 and 1 October 2021, respectively.

(3) Comprises four (4) assets in Australia.

(4) Comprises one (1) asset in Australia.

Post-Merger, ESR-LOGOS REIT's Australia portfolio will comprise 20 Portfolio Properties and 41 Fund Properties across eastern seaboard cities such as Sydney, Melbourne and Brisbane in Australia. This is highly valued and attractive to new and existing tenants seeking seamless real estate solutions across such key economic hubs. In addition, the Merger will expand and deepen ESR-LOGOS REIT's footprint significantly in Australia with the inclusion of four (4) income-producing properties strategically located within the Port of Brisbane, Queensland²⁹. The Port of Brisbane is currently the third largest and busiest port in Australia and the nation's fastest growing multi-cargo port, handling almost 1.49 million containers annually³⁰. The properties located within the Port of Brisbane are well-placed to ride on the robust logistics market in Australia underpinned by strong market fundamentals and moderate supply.

The Australia industrial / logistics sector continues to remain highly sought-after, driving continued compression in capitalisation rates (refer to paragraph 5.3 above). Macro factors such as the accelerated growth of e-commerce and restructuring of supply chains have resulted in elevated take up rates, low vacancy and strong rental growth across Brisbane, Melbourne and Sydney in 4Q2021, which is expected to continue over the next 12 months.



Source: Colliers Research

6.3 Size Increasingly Matters

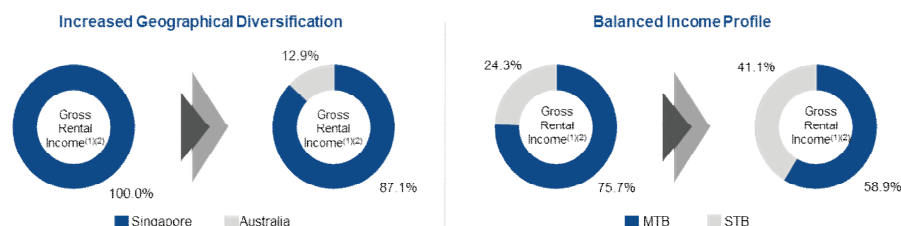
- (a) **Lower Portfolio Risks with Increased Diversification.** The Merger will add a high-quality portfolio of 29 logistics Portfolio Properties, which results in ESR-LOGOS REIT owning 87 Portfolio Properties. With the increased scale, the ESR-REIT Manager is of the view that ESR-LOGOS REIT will become a stronger platform, and at the same time, enjoy the benefits of a larger and well-diversified portfolio as outlined below:
- (i) **Income Diversification.** Post-Merger, 12.9%³¹ of ESR-LOGOS REIT's portfolio will be exposed to the Australian market, providing immediate geographical diversification. In addition, the income profile of ESR-LOGOS

²⁹ Includes 8 Curlew Street, Port of Brisbane, Queensland; 1-5 & 2-6 Bishop Drive, Port of Brisbane, Queensland and 53 Peregrine Drive, Port of Brisbane, Queensland and the Heron Property.

³⁰ Information obtained from Port of Brisbane Sustainability Report 2020/2021.

³¹ Based on GRI as of the month of June 2021. Excludes contributions from Fund Properties.

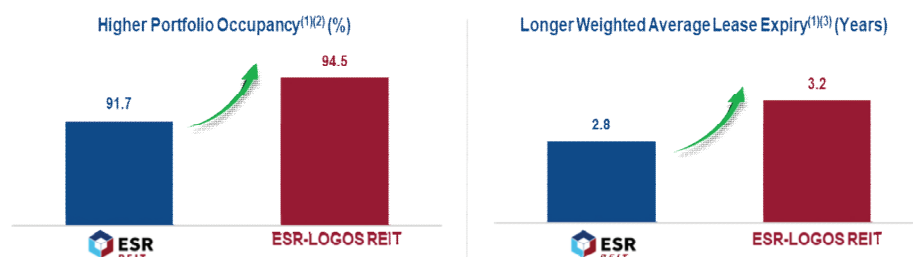
REIT between single tenanted buildings ("STB") and multi-tenanted buildings ("MTB") remains well balanced at 41.1%³¹ and 58.9%³¹, respectively.



Notes:

- (1) Excludes contributions from Fund Properties.
- (2) Based on GRI as of the month of June 2021.

- (ii) **Increased Income Stability.** Post-Merger, ESR-LOGOS REIT will enjoy increased portfolio resilience and income stability with occupancy increasing from 91.7%³² to 94.5%³², underpinned by a longer Weighted Average Lease Expiry profile of 3.2 years³³ from 2.8 years³³. Furthermore, the STB portfolio in Australia will scale up the visibility and quality of earnings due to longer leases and built-in rental escalations of between 2.5% to 4.0% throughout the lease tenures.



Notes:

- (1) Excludes contributions from Fund Properties.
- (2) Based on occupied area over net leasable area as at 30 June 2021.
- (3) Based on GRI as of the month of June 2021.

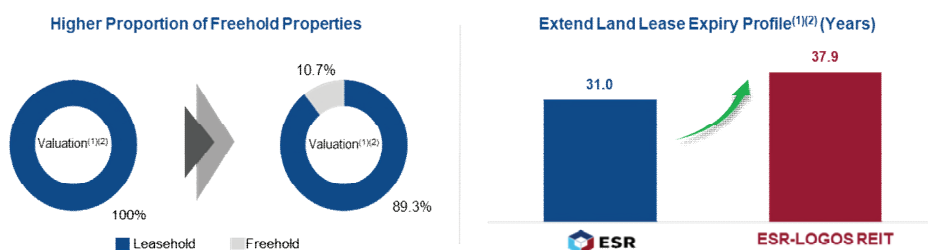
- (iii) **Resilient Portfolio.** Post-Merger, ESR-LOGOS REIT will have an additional 17 freehold Portfolio Properties, increasing its proportion of freehold Portfolio Properties to 10.7%³⁴ while also increasing its land lease expiry profile from 31.0 years to 37.9 years³⁴. As ESR-LOGOS REIT gains more exposure to freehold and/or longer land lease assets, this will further strengthen the

³² Based on occupied area over net leasable area as at 30 June 2021. Excludes contributions from Fund Properties.

³³ Based on valuation as at 30 June 2021. Excludes contributions from Fund Properties. Assumes that freehold land has an equivalent land lease tenure of 99 years. Australia's industrial properties are generally freehold in nature or have longer lease tenure as compared to Singapore industrial properties on JTC land, which generally have a tenure of 30 years or less and for older assets, a tenure of less than 60 years.

³⁴ Based on valuation as at 30 June 2021. Excludes contributions from Fund Properties. Assumes that freehold land has an equivalent land lease tenure of 99 years.

resilience of ESR-LOGOS REIT's portfolio. Freehold assets do not suffer from valuation decay as a result of declining land lease as compared to the short underlying land lease issue with Singapore assets which are all on leasehold tenure.



Notes:

- (1) Excludes contribution from Fund Properties.
- (2) Based on valuation as at 30 June 2021. Assumes that freehold land has an equivalent land lease tenure of 99 years.

- (b) **Improved Tenant Quality and Reduced Concentration Risk.** ESR-LOGOS REIT is expected to benefit from the introduction of more established companies that will enhance the quality and diversification of its tenant base. These tenants include renowned companies in attractive trade sectors such as logistics and warehousing, information communication and technology, manufacturing, and electronics.

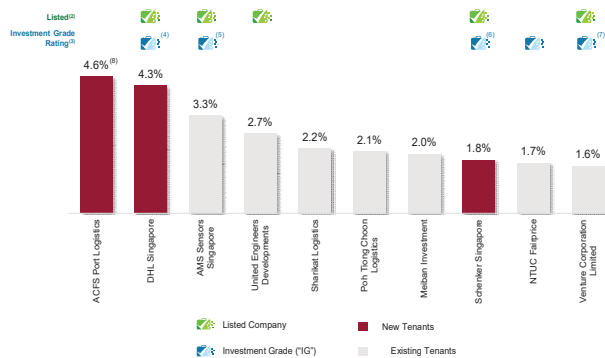
Post-Merger, the number of tenants in Portfolio Properties will increase by 21.4% to 437 tenants. This reduces the top 10 tenants' contribution to GRI from 29.4%³⁵ to 26.3%³⁵, with no single tenant accounting for more than 4.6%³⁵ of ESR-LOGOS REIT's GRI.

The quality of the top 10 tenants will be enriched by the addition of renowned and quality logistics players such as ACFS Port Logistics, Australia's largest privately-owned container logistics operator; DHL Supply Chain, a global leader in contract logistics backed by a sizeable listed company; and McPhee Distribution Services Pty Ltd, a well-established third-party logistics operator in Australia. Such quality tenants will provide ESR-LOGOS REIT with income stability through long leases and strong tenant covenants.

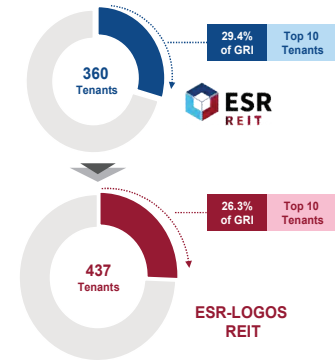
³⁵

Based on GRI for the month of June 2021. Excludes contributions from Fund Properties.

Top 10 ESR-LOGOS REIT Tenants by Rental Income⁽¹⁾



Reduced Contribution by Top 10 Tenants⁽¹⁾



Notes:

- (1) Excludes contribution from Fund Properties. GRI based on month of June 2021.
- (2) Ultimate parent of DHL Singapore, AMS Sensors Singapore, United Engineers Developments and Schenker Singapore are listed entities.
- (3) Investment grade rating refer to bonds that are rated Baa3 / BBB- or better.
- (4) DHL Singapore's rating is based on its ultimate parent, Deutsche Post AG.
- (5) AMS Sensor Singapore's rating is based on its ultimate parent, AMS AG.
- (6) Schenker Singapore's rating is based on its ultimate parent, Deutsche Bahn AG.
- (7) Venture Corporation Limited's rating is based on Bloomberg Default Risk Scale.
- (8) ACFS Port Logistics had acquired IPS Logistics' Port of Brisbane operations in July 2021. GRI contribution is based on their combined GRI for the month of June 2021.

- (c) **Opportunities for Operational Synergies and Portfolio Optimisation.** ESR-LOGOS REIT's total number of Portfolio Properties will increase by 50% to 87, with total net leasable area increasing by 72% to 2.2 million square metres (24.1 million square feet). The total number of tenants will also increase by 21% to 437. The enhanced size and scale will bring about opportunities for operational synergies and portfolio optimisation potential. By leveraging ESR-REIT's and the ESR Group's existing marketing, leasing and asset management platform, economies of scale are expected to be extracted across operations. There are also further potential cost savings for tenants arising from the integration and optimisation of property management services due to the close proximity of assets within each cluster. With a bigger portfolio and tenant base, ESR-LOGOS REIT will also have stronger bargaining power with service providers to bring operational costs down and be able to offer more leasing options to tenants with a wider pool of assets at competitive rents.

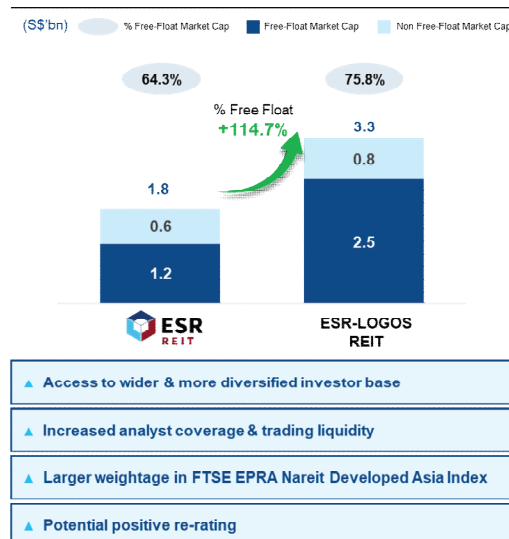
The ESR-REIT Manager will also continually review opportunities to optimise ESR-LOGOS REIT's portfolio, which include the divestment of non-core properties with limited growth. To accelerate its pivot into the New Economy sector, the ESR-REIT Manager targets to progressively pare down its portfolio³⁶ of non-core legacy assets over the subsequent 18 to 24 months to create a flagship New Economy REIT.

- (d) **Leads to Competitive Costs of Capital.** ESR-LOGOS REIT's market capitalisation is expected to increase by approximately 82.2%³⁷ to S\$3.3 billion³⁷ while its free float is expected to increase by approximately 114.7%³⁸ to S\$2.5 billion³⁸. ESR-LOGOS REIT is expected to broaden its access to a wider, deeper and more diversified investor base, increased analyst coverage, higher trading liquidity and a larger weightage in the EPRA Index, resulting in a potential positive re-rating.

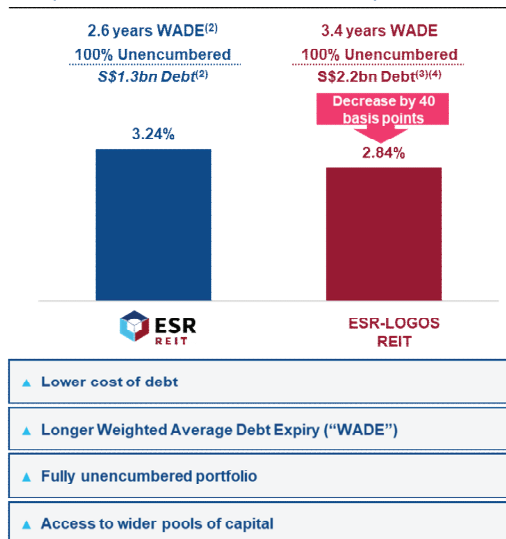
With its 100% unencumbered portfolio, ESR-LOGOS REIT is expected to have its cost of debt lowered by 40 basis points³⁹ to 2.84%³⁹, while lengthening its weighted average debt expiry to 3.4 years. The ESR-REIT Manager believes that the larger and more diversified Enlarged REIT will be in a stronger position to obtain good investment grade ratings (e.g. BBB+ or better) compared to the current size of ESR-REIT and ALOG as respective standalone REITs. As such, the ESR-REIT Manager intends to seek a credit rating for the Enlarged REIT post-Merger⁴⁰, as it is of the view that a good investment grade rating is able to reduce the cost of funding (e.g. bond and perpetual securities market), enjoying wider access to pools of capital (e.g. US\$ bond market) while retaining balance sheet flexibility.

A commitment letter for the grant of such new banking facilities was entered into by the ESR-REIT Trustee (in its capacity as trustee of ESR-REIT) with DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch ("**Lending Banks**") prior to the Joint Announcement Date.

Larger Free-Float Market Capitalisation⁽¹⁾



Competitive Cost of Debt & Enhanced Capital Structure



³⁷ Based on the Scheme Consideration of S\$0.970 per ALOG Unit, 4,035,006,891 ESR-REIT Units in issue, approximately 2,575.9 million ESR-REIT Units issued as consideration to ALOG Unitholders and 31.7 million ESR-REIT Units issued to the ESR-REIT Manager as acquisition fees as at the Latest Practicable Date.

³⁸ Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit.

³⁹ Unsecured banking facilities at an approximate all-in interest cost of 2.25% provided by DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch and Sumitomo Mitsui Banking Corporation Singapore Branch to finance the Cash Consideration payable under the Scheme, refinancing of ALOG's existing debt, derivative liabilities, upfront land premium, stamp duty, estimated professional and other fees and expenses relating to the Merger.

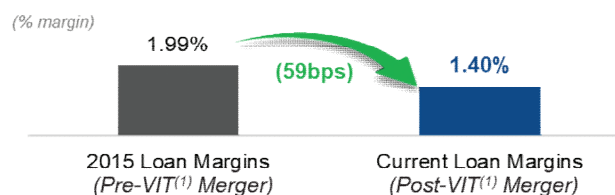
⁴⁰ Both ESR-REIT and ALOG are currently not rated by any of the credit agencies.

Notes:

- (1) Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-REIT's free float of S\$1.2 billion is computed based on 2,594 million free float ESR-REIT Units multiplied by the closing price of the ESR-REIT Units on 18 February 2022, being the Latest Practicable Date, of S\$0.445. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit. Any discrepancies in aggregated figures are due to rounding.
- (2) As at 30 June 2021.
- (3) Unsecured banking facilities at an approximate all-in interest cost of 2.25% provided by DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch and Sumitomo Mitsui Banking Corporation Singapore Branch.
- (4) Includes the new debt facilities to finance the Cash Consideration payable under the Scheme, the refinancing of ALOG's existing debt, derivative liabilities, upfront land premium, stamp duty, estimated professional and other fees and expenses relating to the Merger.

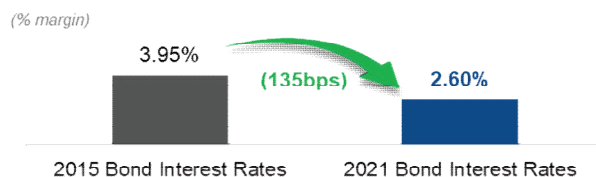
The ESR-REIT Manager is also confident it can leverage its prior experience with the integration of operations in Viva Industrial Trust where there was realisation of synergies (some examples outlined below), to replicate similar success with the Merger.

- **Lower Cost of Loan Financing:** Weighted average "all-in" margins have decreased following the merger with Viva Industrial Trust, and this has been achieved with a longer debt tenure and a flatter debt expiry profile. As an example, for a four (4)-year tenure loan, the "all-in" margin had reduced by 59 basis points from 1.99% in 2015 to the current 1.40%. In relation to the Merger, from an "all-in" cost of debt perspective, the expected weighted average "all-in" cost of debt is expected to decrease by 40 basis points from 3.24% pre-Merger to 2.84% post-Merger.



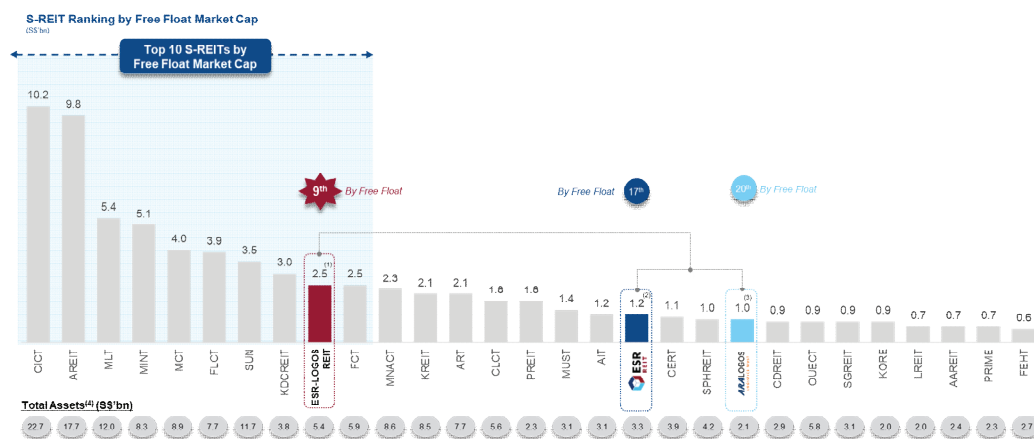
Notes:

- (1) VIT Merger refers to ESR-REIT's acquisition of Viva Industrial Trust in 2018.
- **Lower Cost of Bond Financing:** The coupon rate of ESR-REIT's bond financing has also decreased given the better credit of ESR-REIT. In August 2021, ESR-REIT issued a S\$125.0 million five (5)-year bond at a 2.6% coupon rate. This coupon rate is lower as compared with a similar tenure issuance in May 2015 (prior to the merger of ESR-REIT with Viva Industrial Trust) where ESR-REIT issued a S\$130.0 million five (5)-year bond at a 3.95% coupon rate.



6.4 Transformational Scale and Sponsor's Network

- (a) **Creating a Future-Ready APAC S-REIT Sponsored by the ESR Group⁴¹.** The Merger accelerates the transformation of ESR-REIT into a Future-Ready APAC S-REIT with a combined asset size of approximately S\$5.4 billion⁴². Post-Merger, ESR-LOGOS REIT is expected to become amongst the top 10 largest S-REITs based on its free float market capitalisation of S\$2.5 billion⁴³, and solidify its position as one of the top five (5) industrial S-REITs by total assets⁴⁴.



Notes: FactSet as of 18 February 2022 unless stated otherwise.

- (1) Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit.
- (2) Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. ESR-REIT's free float of S\$1.2 billion is computed based on free float ESR-

⁴¹ Unless stated otherwise, any reference to the ESR Group and/or the Sponsor figures in this paragraph 6 is on the basis that the Proposed ARA Acquisition has been completed.

⁴² Based on reported total assets as of 30 June 2021.

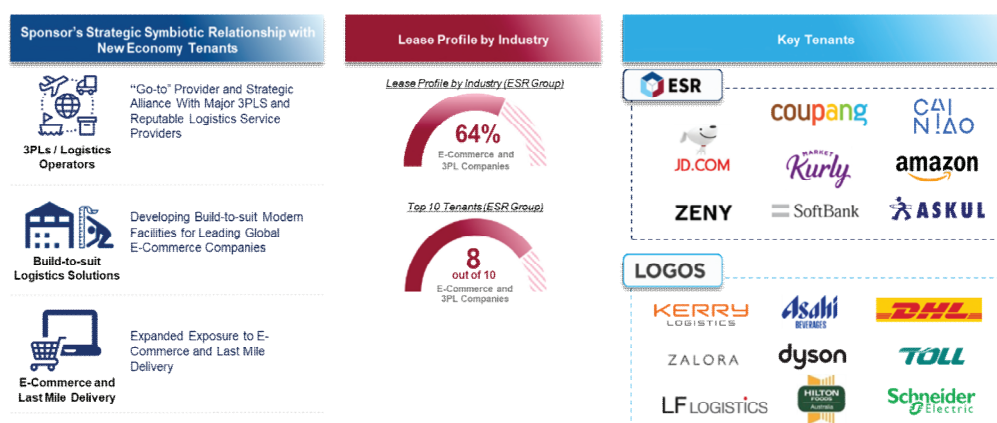
⁴³ Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of the ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit.

⁴⁴ Based on reported total assets as of 30 June 2021, otherwise based on latest publicly available data. ESR-LOGOS REIT ranks after Ascendas REIT (S\$17.3 billion), Mapletree Logistics Trust (S\$11.2 billion), Mapletree Industrial Trust (S\$8.2 billion) and Frasers Logistics & Commercial Trust (S\$7.7 billion) in terms of reported total assets.

REIT Units of 2,594 million ESR-REIT Units multiplied by the closing price of the ESR-REIT Units on 18 February 2022, being the Latest Practicable Date, of S\$0.445.

- (3) Free float excludes ALOG Units held by the joint sponsors, LOGOS Group and ARA, the ALOG Manager, the directors of the ALOG Manager, other substantial ALOG Unitholders and their respective associates. ALOG's free float of S\$1.0 billion is computed based on free float ALOG Units of 1,134 million multiplied by the closing price of ALOG Units on 18 February 2022, being the Latest Practicable Date, of S\$0.860.
- (4) Based on latest publicly available data as of 18 February 2022.

- (b) **Accessing the ESR Group's Global Tenant Network.** ESR-LOGOS REIT can leverage the Sponsor's strong network and access its global tenant network. The ESR Group is the "go-to" provider and a strategic ally with several third party logistics and major logistics service providers, and also has strong experience in developing build-to-suit modern facilities for leading global e-commerce companies, providing an expanded exposure to the e-commerce and last mile delivery sector.



- (c) **Leverage the ESR Group's Financial Strength and Operating Platform to Grow.** The Merger will remove any overlapping mandate conflicts between ESR-REIT and ALOG, thus providing ESR-LOGOS REIT access to the ESR Group's assets of more than US\$59 billion⁴⁵ in an increasingly scarce environment for quality logistics assets. An initial pipeline of approximately US\$2 billion of visible and executable Asia Pacific New Economy assets available from the ESR Group will accelerate ESR-LOGOS REIT's growth as a leading Future-Ready APAC S-REIT.

Since its entry as the sponsor of ESR-REIT in 2017, the ESR Group has demonstrated strong support for ESR-REIT, transforming it into a large developer-backed REIT. Since then, ESR-REIT's portfolio GFA has almost doubled, and its portfolio has been repositioned to focus on higher-value segments of the industrial value chain, including High-Specs industrial properties and logistics assets.

As the sponsor of ESR-REIT, the ESR Group has also provided strong capital support and financial commitment to ESR-REIT via a total of S\$225 million⁴⁶ backstop in

⁴⁵ ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of associates) as of 31 December 2021.

⁴⁶ S\$125.0 million backstop in relation to a preferential offering undertaken in March 2018, S\$50.0 million backstop in relation to a preferential offering undertaken in October 2019 and S\$50.0 million backstop in relation to a preferential offering undertaken in August 2021.

preferential offerings and, in 2018, facilitated the merger of ESR-REIT with Viva Industrial Trust through the acquisition of Viva Industrial Trust Management Pte. Ltd. by ESR Funds Management Ltd.

With the ESR Group's continued support, ESR-LOGOS REIT will be able to leverage the Sponsor's strong network of strategic relationships with leading global e-commerce companies, retailers, logistics service providers and manufacturers in addition to its established local real estate operating platform, while at the same time having the opportunity to access the ESR Group's visible pipeline of assets. This will propel ESR-LOGOS REIT's growth and overseas expansion in the future.

- (d) **The Largest New Economy Pipeline to Supercharge Growth.** ESR-LOGOS REIT will be backed by a leading New Economy developer sponsor with the largest assets under management ("**AUM**") in Asia Pacific of US\$140 billion⁴⁷ amongst S-REIT peers, the largest New Economy AUM of more than US\$59 billion⁴⁸ and a work-in-progress development value of more than US\$10 billion⁴⁹ across 10 markets. ESR-LOGOS REIT will also be able to leverage the largest New Economy pipeline to supercharge growth to be a leading Future-Ready APAC S-REIT.
- (e) **Provides Greater Access to Growth Opportunities.** The Merger would increase the development limit capacity of ESR-LOGOS REIT to approximately S\$1.4 billion⁵⁰, thereby allowing ESR-LOGOS REIT to undertake development opportunities to enhance unitholder returns. ESR-LOGOS REIT could also explore opportunities to participate in any development opportunities on its own and/or jointly with the ESR Group. There is also increased flexibility to undertake development and/or asset enhancement initiatives ("**AEIs**") to unlock value from unutilised GFA and/or redevelopment of some of its older and dated general industrial properties into High-Specs industrial properties. The increased size of ESR-LOGOS REIT provides a "buffer" for any AEIs and/or redevelopments in the portfolio to be undertaken, minimising downtime impact from the loss of income during AEIs. There is increased opportunity to further assess a larger tenant base to identify optimal use for unutilised GFA and reduce leasing risks. Access to lower cost of capital will further enhance returns on AEIs and/or redevelopments for unitholders.

⁴⁷ ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of associates) as of 31 December 2021.

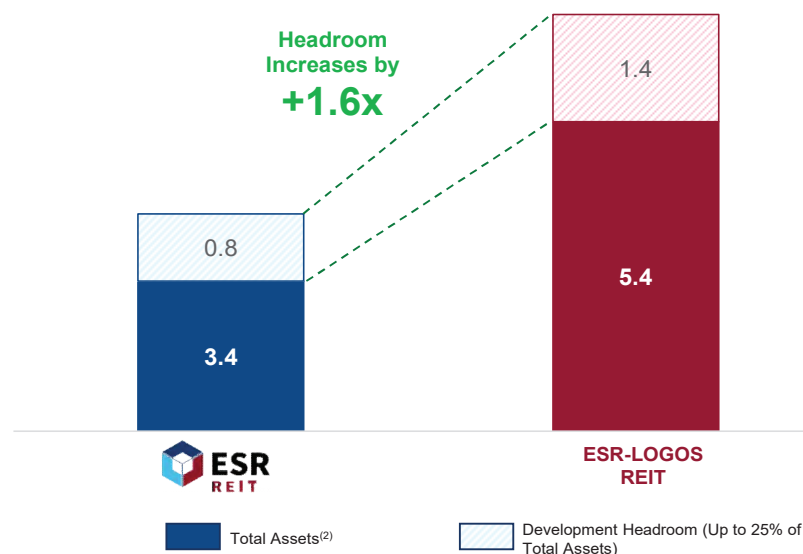
⁴⁸ ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of associates) as of 31 December 2021.

⁴⁹ ESR Group data as at 30 June 2021.

⁵⁰ Development headroom of up to 25% of the total assets of ESR-LOGOS REIT. Total assets are taken as a close proxy for deposited property value. 25% development limit is subject to approval.

Development Headroom⁽¹⁾

(\$'bn)



Notes:

- (1) Development Headroom of up to 25% of the total assets of ESR-LOGOS REIT. Total assets are taken as a close proxy for deposited property value. 25% development limit is subject to approval.
- (2) Based on reported total assets as of 30 June 2021.

6.5 Value Accretive for Unitholders

DPU Accretive Transaction for ESR-REIT Unitholders. FOR ILLUSTRATIVE PURPOSES ONLY: Assuming that the Merger had been completed on 1 January 2020, the distribution per ESR-REIT Unit⁵¹ for FY2020 would have increased from 2.775⁵² Singapore cents to 2.905⁵³ Singapore cents (the "**Pro Forma 2020 DPU**"), translating to a DPU accretion of 4.7%. The DPU accretion is largely driven by the following:

- (a) **Refinancing 100% of ALOG's Borrowings at a Lower Financing Cost:** The new unsecured banking facilities to be provided by the Lending Banks have a lower weighted average "all-in" financing cost of 2.25% per annum versus ALOG's existing "all-in" financing cost of 2.92% per annum as at 30 June 2021.
- (b) **Reduction in Land Rent Expenses:** Upfront land premium is the total land price charged by JTC for the remaining lease term of the properties. Previously, this land price could be paid either (i) as periodic rental payments made across the term of the lease ("**Land Rent Scheme**"), or (ii) as a lump sum upfront payment ("**Upfront Land Premium Scheme**"). Under JTC's prevailing policy, the land prices under the Land Rent Scheme will be converted to Upfront Land Premium Scheme if the properties are

⁵¹ Assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments and the ALOG EFR were completed on 1 January 2020.

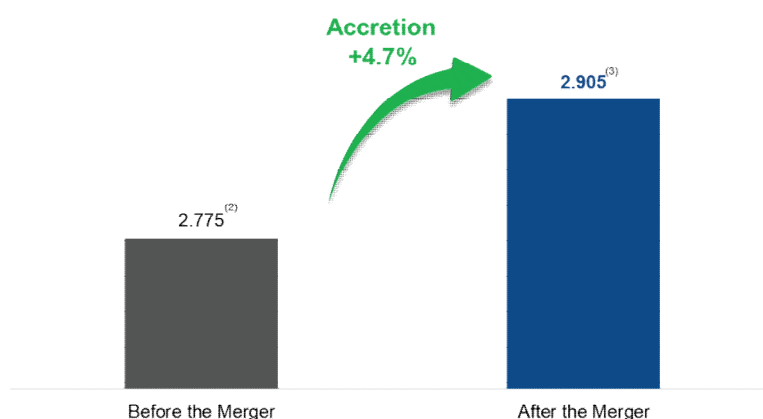
⁵² After the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments and the ESR-REIT EFR. Based on approximately 3,933.5 million ESR-REIT Units for the period from 1 January 2020 to 31 December 2020.

⁵³ After the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR and the Merger. Based on approximately 6,540.5 million ESR-REIT Units for the period from 1 January 2020 to 31 December 2020.

held by third-party facility providers such as REITs. With the Merger, ESR-REIT will seek to align the periodic rental payments for the remaining lease terms under the Land Rent Scheme with JTC's current policy to convert the periodic rental payments to upfront land premium. Upon the conversion for the ALOG SG Real Properties, the upfront land premium payable to JTC will be added to the valuation of the respective properties. Assuming that the estimated upfront land premium of approximately S\$87.9 million was paid upfront to JTC, ESR-LOGOS REIT would not have incurred any land rent expenses for the ALOG SG Real Properties in FY2020. Such land rent expenses amounted to approximately S\$5.6 million (representing approximately 6.4% of the estimated upfront land premium). As the estimated upfront land premium is expected to be funded by the new unsecured banking facilities to be provided by the Lending Banks which have a lower cost of debt of 2.25% per annum, this translates to cost savings for ESR-REIT Unitholders, and as such increases the distributable income of ESR-LOGOS REIT, leading to DPU accretion.

Distribution per Unit⁽¹⁾

(S\$ cents)



The Pro Forma 2020 DPU excludes any operational and trust level savings or potential synergies from the Merger.

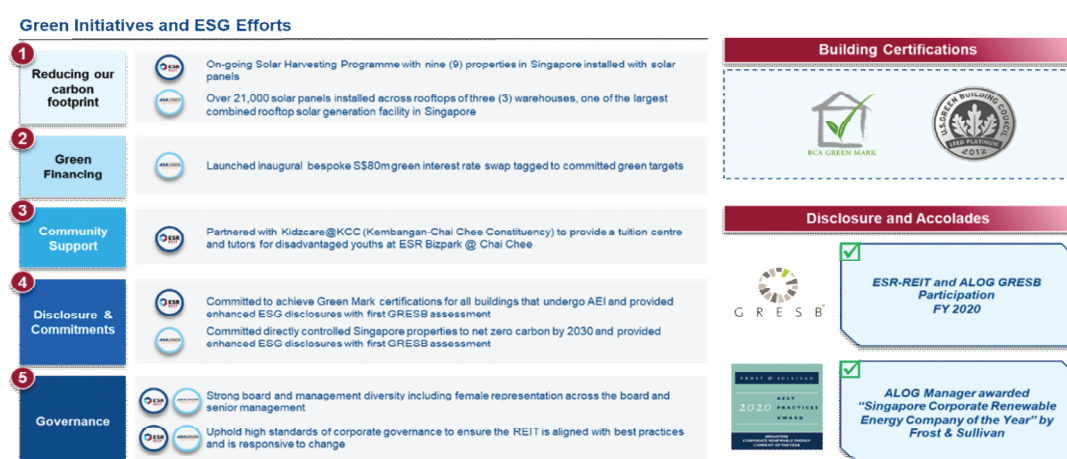
Notes:

- (1) Assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, and the ALOG EFR were completed on 1 January 2020.
- (2) After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments and ESR-REIT EFR. Based on approximately 3,933.5 million ESR-REIT Units for the period from 1 January 2020 to 31 December 2020.
- (3) After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR and the Merger. Based on approximately 6,540.5 million ESR-REIT Units for the period from 1 January 2020 to 31 December 2020.

Assuming that the Merger had been completed on 1 January 2021, the DPU for FY2021 would have increased from 2.987 Singapore cents to 3.037 Singapore cents (the "**Pro Forma 2021 DPU**"), translating to a DPU accretion of 1.7%. Please refer to **Appendix D** of this Circular for further details on the pro forma assumptions.

6.6 Enhanced Environmental, Social, and Governance Offering

Further Propel ESG Offerings with Reinforced Commitment. The Merger will further reinforce ESR-LOGOS REIT's commitment to its green initiatives and ESG performance. Reducing carbon footprint, potential usage of green financing methods and providing further community support are key initiatives that ESR-LOGOS REIT will continue to pursue. ESR-LOGOS REIT will also continue to provide enhanced ESG disclosures based on the Global Real Estate Sustainability Benchmarks ("**GRESB**") assessment. Governance will also be a key focus area, with strong commitment to diversity and ensuring high standards of corporate governance throughout the organisation.



7. FUTURE INTENTIONS FOR ESR-LOGOS REIT

7.1 Future Intentions for ESR-LOGOS REIT

Assuming the completion of the Merger:

- the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT";
- the ESR-REIT Manager will be the manager of ESR-LOGOS REIT after completion of the Merger and Mr. Adrian Chui will continue to be the CEO of the ESR-REIT Manager, while Ms. Karen Lee⁵⁴ will join the ESR-REIT Manager as the Deputy CEO. The Nominating and Remuneration Committee of the ESR-REIT Manager will also review the composition of the board of directors of the ESR-REIT Manager as may be appropriate to align with ESR-LOGOS REIT's future strategic direction, focus and corporate governance best practices. Such corporate governance practices include, amongst others, compliance with SFA regulations and the MAS guidelines relating to the independence of the directors on the board of the manager and the duty of the manager to take all necessary steps to avoid conflicts of interest and to act in the best interests of unitholders (including, without limitation, the SFA, the Securities and Futures (Licensing and Conduct of Business) Regulations, the Code of Corporate Governance issued by the MAS on 6 August 2018 and the accompanying Practice

⁵⁴

Ms. Karen Lee is currently the CEO of the ALOG Manager.

Guidance, and the Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management [Guideline No. SFA04-G07] issued by the MAS on 1 January 2016);

- (c) it is intended that ALOG's existing outstanding loan facilities and related interest rate swaps of an aggregate amount of approximately S\$761.2 million will be fully refinanced;
- (d) post-Merger, ESR-LOGOS REIT will target to sell down a portfolio of non-core assets over the subsequent 18 to 24 months to further create a flagship New Economy REIT; and
- (e) as ALOG will become a sub-trust of ESR-REIT upon completion of the Merger, the fee structure applicable to the manager of ESR-LOGOS REIT will be the fee structure which is currently applicable to the ESR-REIT Manager under the ESR-REIT Trust Deed. Please refer to Appendix C to the Scheme Document for further details with respect to the fees payable to the ESR-REIT Manager.

7.2 Re-Evaluation of AEIs

ESR-LOGOS REIT's larger portfolio will provide the opportunity and flexibility to re-evaluate the scale and risk-return profile of the AEIs to be undertaken, for both the existing ESR-REIT portfolio and the ALOG portfolio of real estate assets. This re-evaluation will include, amongst others, a review of the projected construction costs of identified AEI projects, given the better bargaining power of ESR-LOGOS REIT with service providers and reduced portfolio financial impact when undertaking AEIs, while taking into consideration the supply and demand dynamics of the industrial market over the next two (2) to three (3) years.

8. MANAGED INVESTMENT TRUST STATUS

- 8.1 The Trust Company (Australia) Limited as trustee for ALOG Logistics Trust Australia ("**ALOG Australia**") is a wholly-owned subsidiary of ALOG. ALOG Australia is a managed investment trust ("**MIT**") for the purposes of the Australian Taxation Act and is also an attribution managed investment trust ("**AMIT**") for the purposes of the Australian Taxation Act. Distributions from ALOG Australia to its foreign unitholders such as ALOG (which would become a wholly-owned sub-trust of ESR-LOGOS REIT upon completion of the Merger) should be subject to preferential Australian withholding tax rate at 15.0%.
- 8.2 For ALOG Australia to qualify as a MIT and enjoy the preferential Australian withholding tax rate at 15.0% (the "**MIT Tax Treatment**"), there are several conditions that must be met and, among other requirements, no individual who is not a tax resident in Australia under the Australian Taxation Act ("**Foreign Resident Individual**") can directly or indirectly hold, control or have the right to acquire an interest of 10.0% or more in ALOG (and therefore, ALOG Australia) at any time during the income year.
- 8.3 As set out in paragraph 2.6 of the Letter to ALOG Unitholders in the Scheme Document, up to the Latest Practicable Date, ALOG Australia has qualified as an MIT and enjoyed preferential Australian withholding tax rates.

- 8.4 After completion of the Merger, if a Foreign Resident Individual has an interest of 10.0% or more in ESR-LOGOS REIT (and therefore, ALOG Australia) at any time during the income year, ALOG Australia may not qualify for the MIT Tax Treatment. In such an event, The Trust Company (Australia) Limited, in its capacity as trustee of ALOG Australia, would be subject to a non-final Australian tax at 30.0% (where the ALOG Australia unitholder is a company) or 45.0% (where the ALOG Australia unitholder is a trust) on the respective ALOG Australia unitholder's share of net income. This would result in higher tax expense and tax liabilities for ESR-LOGOS REIT, which would in turn have an adverse impact on the DPU and NAV of ESR-LOGOS REIT.

Purely for illustrative purposes only, if a Foreign Resident Individual has an interest of 10.0% or more in ESR-LOGOS REIT upon completion of the Merger and as a result, ALOG Australia does not qualify for the MIT Tax Treatment:

- (a) the FY2020 pro forma DPU accretion for ESR-REIT Unitholders (assuming completion of the Merger) would decrease from 4.7% to 0.0%;
- (b) the FY2021 pro forma DPU accretion for ESR-REIT Unitholders (assuming completion of the Merger) would decrease from 1.7% to negative 1.9%;
- (c) the FY2020 pro forma NAV per unit dilution for ESR-REIT Unitholders (assuming completion of the Merger) would increase from negative 8.5% to negative 11.0%; and
- (d) the FY2021 pro forma NAV per unit dilution for ESR-REIT Unitholders (assuming completion of the Merger) would increase from negative 9.1% to negative 11.8%.

With respect to the Merger, the ESR-REIT Manager has been informed that the Summit Group had on 29 December 2021 restructured its unitholdings in ESR-REIT such that no persons within the Summit Group will hold an interest of 10.0% or more in ESR-LOGOS REIT after completion of the Merger. On this basis, ALOG Australia is expected to continue to qualify for the MIT Tax Treatment after completion of the Merger.

- 8.5 On completion of the Merger, the ESR-REIT Manager will monitor unitholders' percentage holdings in ESR-LOGOS REIT to determine whether the above requirement is met in respect of each income year in which ALOG Australia wishes to qualify for the MIT Tax Treatment.

9. TOTAL ACQUISITION COST AND SOURCE OF FUNDS FOR THE MERGER

- 9.1 The total cost of the Merger is estimated to be approximately S\$2,408.5 million comprising:
- (a) the aggregate Scheme Consideration of approximately S\$1,409.3 million, based on the Scheme Consideration of S\$0.970 for each ALOG Unit and an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date;
 - (b) estimated upfront land premium payable to JTC of approximately S\$87.9 million;

- (c) the acquisition fee payable to the ESR-REIT Manager for the Merger (the "**Acquisition Fee**") which is estimated to be approximately S\$15.6 million, based on the Scheme Consideration;
- (d) the refinancing of ALOG's total borrowings and related interest rate swaps and derivative liabilities of an aggregate amount of approximately S\$761.2 million;
- (e) the redemption of ALOG's perpetual securities of S\$101.5 million; and
- (f) the estimated professional and other costs, fees and expenses (including taxes) of approximately S\$32.9 million incurred in connection with the Scheme.

For the avoidance of doubt, the completion of the Merger is not conditional upon the completion of the redemption of ALOG's perpetual securities of S\$101.5 million.

9.2 **Scheme Consideration**

The Scheme Consideration of S\$0.970 per ALOG Unit will be satisfied through the payment of an aggregate cash amount of approximately S\$140.9 million and the allotment and issue of Consideration Units (estimated to be approximately 2,575.9 million Consideration Units based on an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date) at an issue price of S\$0.4924 for each Consideration Unit, to the ALOG Unitholders.

9.3 **Consideration Units**

The Consideration Units will be issued and credited as fully paid to the ALOG Unitholders upon the Scheme becoming effective in accordance with its terms. The issue of the Consideration Units at an issue price of S\$0.4924 for each Consideration Unit requires approval of the ESR-REIT Unitholders by way of an Ordinary Resolution.

9.4 **Acquisition Fee**

As the Merger constitutes an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee is payable in ESR-REIT Units⁵⁵ to the ESR-REIT Manager for the Merger, and shall not be sold within one (1) year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

9.5 **Method of Financing**

In connection with the Merger and the Scheme, the ESR-REIT Trustee has entered into a commitment letter dated 11 October 2021 with DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch as Mandated Lead Arrangers and Bookrunners⁵⁶ for the grant of new unsecured banking facilities of an aggregate of up to S\$835 million and A\$365 million (the "**New Facilities**"). The proceeds of the New Facilities will be applied towards the following purposes:

⁵⁵ Pursuant to the Merger, approximately 31.7 million ESR-REIT Units will be allotted and issued to the ESR-REIT Manager in payment of the Acquisition Fee based on the Scheme Consideration.

⁵⁶ ESR-REIT may also issue new perpetual securities to finance the Merger.

- (a) the financing of the Cash Consideration of the Scheme;
- (b) the refinancing in full of the indebtedness under existing loan facilities granted to the ALOG Trustee;
- (c) the payment of costs, fees and expenses (including taxes) incurred in connection with the Scheme; and
- (d) general working capital purposes for ESR-REIT.

Based on the estimated total cost of the Merger of approximately S\$2,408.5 million as at the Latest Practicable Date, the aggregate amount of the New Facilities that is expected to be applied towards funding part of the total cost of the Merger is approximately S\$873.0 million.

10. CHAPTER 10 OF THE LISTING MANUAL

- 10.1 For the purposes of Chapter 10 of the Listing Manual, the relative figures of the Merger computed on the bases set out in Rules 1006(b) to (d) of the Listing Manual are as follows. The figures are based on ESR-REIT's and ALOG's unaudited consolidated financial statements for the half year ended 30 June 2021 ("**1H2021**") (being the latest announced financial statements of ESR-REIT and ALOG as at the Joint Announcement Date):

Bases	ALOG Group (million)	ESR-REIT Group (million)	Relative figures (%)
<u>Rule 1006(b)</u> Net property income attributable to the assets acquired, compared with the group's net property income. ⁽¹⁾	S\$51.4	S\$87.0	59.1
<u>Rule 1006(c)</u> The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. ⁽²⁾	S\$1,406.7	S\$1,863.5	75.5
<u>Rule 1006(d)</u> The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	2,571.1 ⁽³⁾	3,877.2	66.3

ESR-REIT Unitholders are advised to read the information in this paragraph 10.1 carefully.

Notes:

- (1) In the case of a REIT, net property income is a close proxy to the net profits attributable to its assets.
- (2) Based on the Scheme Consideration of S\$0.970 per ALOG Unit, the aggregate Scheme Consideration is approximately S\$1,406.7 million as at the Joint Announcement Date. Market capitalisation is based on S\$0.465 per ESR-REIT Unit (as at close of trading on 14 October 2021) and 4,007,446,385 ESR-REIT Units in issue as at the Joint Announcement Date.
- (3) Aggregate number of Consideration Units to be issued as consideration for the Merger based on an aggregate of 1,450,174,297 ALOG Units in issue as at the Joint Announcement Date.

- 10.2 Pursuant to Rule 1014(1) of the Listing Manual, where an acquisition of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20% but not 100%, the transaction is classified as a "major transaction" under Chapter 10 of the Listing Manual.
- 10.3 As shown in the table above, as the relative figures of the Merger on the bases set out in Rule 1006(b), 1006(c) and 1006(d) exceed 20% but not 100%, the Merger is considered a "major transaction" under Chapter 10 of the Listing Manual. Accordingly, the approval of the ESR-REIT Unitholders is required in respect of the Merger and included as a Scheme Condition.

11. VALUE OF ALOG UNITS

- 11.1 Based on ALOG's unaudited consolidated financial statements for FY2021:
 - (a) the NAV and net tangible assets ("**NTA**") per ALOG Unit as at 31 December 2021 were S\$0.67; and
 - (b) the amount available for distribution to the ALOG Unitholders for the financial year ended 31 December 2021 was approximately S\$70.4 million.
- 11.2 Based on the volume weighted average price of S\$0.928 per ALOG Unit with reference to the 30-calendar day period from 15 September 2021 up to and including 14 October 2021, the latest available open market value of all the ALOG Units on 14 October 2021 is approximately S\$1.4 billion.

12. VALUATION OF PROPERTIES

12.1 ESR-REIT's Properties

The ESR-REIT Manager has commissioned Knight Frank Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Cushman & Wakefield VHS Pte Ltd (the "**ESR-REIT Independent Valuers**") to conduct a full independent valuation of ESR-REIT's properties as at 30 September 2021 for the purposes of the Merger. As stated by the ESR-REIT Independent Valuers in the valuation certificates on the valuation of ESR-REIT's properties as at 30 September 2021 (the

"ESR-REIT Independent Valuation Certificates"), the aggregate open market value of ESR-REIT's properties as at 30 September 2021 is S\$3,232.7 million.

The valuation of ESR-REIT's properties has taken into consideration the uncertainties relating to the current COVID-19 situation and the unknown future impact COVID-19 might have on the real estate market. The current response to COVID-19 means that the property valuers are faced with an unprecedented set of circumstances on which to base a judgement. Consequently, the valuations are reported on the basis of "material valuation uncertainty", and a higher degree of caution should be attached to the valuation than would normally be the case. For the avoidance of doubt, the "material valuation uncertainty" qualifier is to serve as a precaution and does not mean that the valuations cannot be relied upon. The key assumptions for the valuation of the portfolio are set out in the reports issued by the ESR-REIT Independent Valuers on the valuation of ESR-REIT's properties as at 30 September 2021 (the **"ESR-REIT Independent Valuation Reports"**).

The valuations of these properties were based on the discounted cash flow, capitalisation and direct comparable valuation methods. The ESR-REIT Manager is satisfied that the valuation methods and estimates are reflective of the current market conditions.

12.2 **Potential tax liability**

Under Rule 26.3 of the Code, the ESR-REIT Manager is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation.

ESR-REIT is a long-term investor in its properties. Accordingly, the ESR-REIT Manager is of the view that these properties have been acquired for long-term investment purposes and any gain on any hypothetical disposal will not be subject to tax. The potential tax liabilities that may be incurred by ESR-REIT on the hypothetical sale of these properties on an "as is" basis is therefore zero.

12.3 **ALOG's Properties**

The ESR-REIT Manager has also appointed Ernst & Young LLP (the **"ESR-REIT 805 Auditor"**) to perform an audit, in accordance with Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on the ALOG Statements of Investment Properties, including by, among other things, reviewing the valuation reports of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties as at 30 September 2021. A reciprocal arrangement was undertaken by ALOG on the ESR-REIT Statements of Investment Properties, including by, among other things, reviewing the valuation reports of the ESR-REIT Real Properties and the EALP Real Properties as at 30 September 2021.

The intention in carrying out such audit is to give additional comfort to ESR-REIT Unitholders that the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group. It is also noted that the valuations of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties in the ALOG Statements of Investment Properties were very recently updated as at 30 September 2021 and the valuations were undertaken by independent

and reputable international valuation firms such as CBRE Pte. Ltd and Colliers Australia. The basis of preparation of the valuations are also in-line with market standard. As such, the ESR-REIT Manager did not commission separate valuations of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties and instead commissioned the ESR-REIT 805 Auditor to perform the audit as mentioned above.

Pursuant to such audit, the ESR-REIT 805 Auditor has delivered an audit opinion dated 25 February 2022 setting out its opinion that the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group (the "**ESR-REIT 805 Auditor's Opinion**").

In determining the carrying values of the ALOG Real Properties and the ALOG Fund Real Properties, the ESR-REIT 805 Auditor had also considered the valuations of these properties concluded by the ALOG Group, the New LAIVS Trust and the Oxford Property Fund as of 31 December 2021, which have not materially changed when compared to the carrying values as at 30 September 2021, in assessing the robustness of the valuations as at 30 September 2021.

Please refer to **Appendix C** for the ESR-REIT 805 Auditor's Opinion. ESR-REIT Unitholders are advised to read the information in **Appendix C** carefully.

13. PRO FORMA FINANCIAL EFFECTS OF THE MERGER

- 13.1 The pro forma financial effects of the Merger (and the related transactions in connection therewith) on (a) ESR-REIT's DPU; (b) the NAV and NTA per ESR-REIT Unit; and (c) the aggregate leverage of ESR-REIT for FY2020 are set out as follows:

(a) DPU for FY2020

The pro forma financial effects of the Merger on the amount available for distribution to ESR-REIT Unitholders, the number of ESR-REIT Units and ESR-REIT's DPU, and the accretion thereof, for FY2020, assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments and the ALOG EFR were completed on 1 January 2020, are as follows:

	ESR-REIT for FY2020		Effects of the Merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments and ESR-REIT EFR	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR and the Merger
Amount available for distribution (S\$'000)	99,127	109,155	189,995
Applicable Number of ESR-REIT Units ('000)	3,540,250	3,933,498	6,540,541
DPU (cents)	2.800	2.775	2.905
Accretion (%)			4.7

(b) **NAV and NTA per ESR-REIT Unit for FY2020**

The pro forma financial effects of the Merger on the NAV and NTA, the number of ESR-REIT Units, and NAV and NTA per ESR-REIT Unit, and the accretion thereof, as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ESR-REIT Revaluation were completed on 31 December 2020, are as follows:

	ESR-REIT as at 31 December 2020		Effects of the Merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR and ESR-REIT Revaluation	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR, ESR-REIT Revaluation and the Merger
NAV and NTA (S\$'000)	1,446,990	1,597,984	2,420,307
Number of issued ESR-REIT Units ('000)	3,576,362	3,969,252	6,572,594
NAV and NTA per ESR-REIT Unit (cents)	40.5	40.3	36.8
Dilution (%)			(8.5)

(c) **Aggregate Leverage for FY2020**

The pro forma financial effects of the Merger on ESR-REIT's aggregate leverage as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ESR-REIT Revaluation were completed on 31 December 2020, are as follows:

	ESR-REIT as at 31 December 2020		Effects of the Merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR and ESR-REIT Revaluation	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR, ESR-REIT Revaluation and the Merger
Aggregate leverage (%)	41.6	39.4	42.1

- 13.2 The pro forma financial effects of the Merger (and the related transactions in connection therewith) on (a) ESR-REIT's DPU; (b) the NAV and NTA per ESR-REIT Unit; and (c) the aggregate leverage of ESR-REIT for FY2021 are set out as follows:

(a) **DPU for FY2021**

The pro forma financial effects of the Merger on the amount available for distribution to ESR-REIT Unitholders, the number of ESR-REIT Units and ESR-REIT's DPU, and the accretion thereof, for FY2021, assuming that the Merger had been completed on 1 January 2021 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2021, are as follows:

	Effects of the Merger – ESR-LOGOS REIT basis	
	Actual	After the Merger
Amount available for distribution (S\$'000)	114,393	192,817
Applicable Number of ESR-REIT Units ('000)	3,829,695	6,348,527 ⁽¹⁾
DPU (cents)	2.987	3.037
Accretion (%)		1.7

Notes:

- (1) Includes approximately 2,478.5 million new ESR-REIT Units that would be allotted and issued as part of the Scheme Consideration, based on the applicable number of ALOG Units for FY2021.

(b) **NAV and NTA per ESR-REIT Unit for FY2021**

The pro forma financial effects of the Merger on the NAV and NTA, the number of ESR-REIT Units, and NAV and NTA per ESR-REIT Unit, and the accretion thereof, as at 31 December 2021, assuming that the Merger had been completed on 31 December 2021 are as follows:

	Effects of the Merger – ESR-LOGOS REIT basis	
	Actual	After the Merger
NAV and NTA (S\$'000)	1,597,968	2,391,771
Number of issued ESR-REIT Units ('000)	4,030,257	6,637,873
NAV and NTA per ESR-REIT Unit (cents)	0.396	0.360
Dilution (%)		(9.1)

(c) **Aggregate Leverage for FY2021**

The pro forma financial effects of the Merger on ESR-REIT's aggregate leverage as at 31 December 2021, assuming that the Merger had been completed on 31 December 2021 are as follows:

	Effects of the Merger – ESR-LOGOS REIT basis	
	Actual	After the Merger
Aggregate leverage (%)	40.0%	42.4%

13.3 Bases and Assumptions Underlying the Above *Pro Forma* Financial Effects of the Merger

The financial effects of the Merger on ESR-REIT set out above are for illustrative purposes only and do not reflect the actual financial performance or position of ESR-REIT after the Merger.

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT for FY2020 have been prepared based on the ESR-REIT FY2020 Financial Statements and the ALOG FY2020 Financial Statements and based on certain assumptions directly attributable to the Merger after making certain adjustments.

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT for FY2021 have been prepared based on the ESR-REIT FY2021 Financial Statements and the ALOG FY2021 Interim Financial Information and based on certain assumptions directly attributable to the Merger after making certain adjustments.

The bases and assumptions on which the pro forma financial effects of the Merger have been prepared for both FY2020 and FY2021 are also set out in **Appendix D** to this Circular.

ESR-REIT Unitholders are advised to read the information in this paragraph 13 and **Appendix D** carefully.

14. THE MERGER AS AN INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

14.1 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where an issuer proposes to enter into a transaction with an interested person 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 (as defined in Chapter 9 of the Listing Manual) during the same financial year) is equal to or exceeds 5.0% of the listed group's latest audited NTA, unitholders' approval is required in respect of the transaction. Further, under Paragraph 5 of the Property Funds Appendix, a property fund is also required to make an immediate announcement and obtain a majority vote at a participants' meeting, if the value of the transaction with an interested party is equal to or exceeds 5.0% of its NAV.

Based on ESR-REIT's latest audited consolidated financial statements for FY2020, its NAV and NTA as at 31 December 2020 was approximately S\$1,447.0 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by ESR-REIT 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\$72.4 million, such a transaction would be subject to the approval of the ESR-REIT Unitholders.

14.2 The Sponsor

The Sponsor, through its wholly-owned subsidiaries, holds approximately 67.3% of the shares in the ESR-REIT Manager, and is therefore a "controlling shareholder" of the ESR-REIT Manager under both the Listing Manual and the Property Funds Appendix. Following the completion of the Proposed ARA Acquisition on 20 January 2022, ARA is now wholly-owned by the Sponsor and accordingly, ARA and its subsidiaries (including LOGOS Units) are "associates" of the Sponsor under both the Listing Manual and the Property Funds Appendix. As such, each of them is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of ESR-REIT.

As mentioned in paragraph 3.3 above, LOGOS Units is the holder of 179,867,674 ALOG Units, representing approximately 12.38% of the total number of ALOG Units. Accordingly, the acquisition of ALOG Units from LOGOS Units pursuant to the Merger constitutes an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

The total amount at risk to ESR-REIT is the aggregate Scheme Consideration of approximately

S\$1,409.3 million, based on the Scheme Consideration of S\$0.970 for each ALOG Unit and an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date. Pursuant to the Merger, LOGOS Units will be entitled to receive from ESR-REIT approximately S\$174.5 million to be satisfied partly in cash and partly in the form of new ESR-REIT Units, as consideration for the acquisition of the ALOG Units held by LOGOS Units. The aggregate Scheme Consideration represents approximately 97.4% of the latest audited NTA and NAV of ESR-REIT. Of this 97.4%, the Scheme Consideration payable by ESR-REIT to LOGOS Units represents approximately 12.1% of the latest audited NAV and NTA of ESR-REIT. As mentioned in paragraph 9 above, the ESR-REIT Manager will also receive an Acquisition Fee payable in ESR-REIT Units pursuant to the Merger, estimated to be approximately S\$15.6 million based on the Scheme Consideration.

Accordingly, the Merger will require the approval of the ESR-REIT Unitholders pursuant to Rule 906(1) of the Listing Manual. Pursuant to Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, the Sponsor and its associates will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

In addition:

- (a) the total value of interested person transactions, excluding transactions which are less than S\$100,000, between ESR-REIT and the Sponsor and its associates entered into during the course of FY2021 (being the financial year as at the Joint Announcement Date) which are required to be aggregated with the Merger under the Listing Manual is approximately S\$71.6 million, comprising the acquisition of a 10.0% interest in EALP which was completed on 14 May 2021 and the execution of an office lease at the ESR-REIT Manager's current premises; and
- (b) the total value of interested person transactions, excluding transactions which are less than S\$100,000, between ESR-REIT and all interested persons entered into during the course of FY2021 (being the financial year as at the Joint Announcement Date) is approximately S\$72.0 million.

14.3 **Summit Group**

Mr. Tong Jinquan is a director of the ESR-REIT Manager, and the Summit Group holds a controlling interest in the ESR-REIT Manager as well as a controlling interest in ESR-REIT Units. Pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, the Summit Group will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

14.4 **Mitsui**

Mitsui holds 7.7% of the issued shares of the ESR-REIT Manager. Mitsui is also an ESR-REIT Unitholder. Pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, Mitsui will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

15. ISSUE OF CONSIDERATION UNITS

- 15.1 As consideration for the acquisition of all the ALOG Units pursuant to the Merger and based on an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date, approximately 2,575.9 million Consideration Units are estimated to be allotted and issued to the ALOG Unitholders at an issue price of S\$0.4924 for each Consideration Unit.
- 15.2 Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in a general meeting for the issue of units unless such issue of units is covered under a general mandate obtained from unitholders of the issuer. Accordingly, the ESR-REIT Manager is seeking the approval of the ESR-REIT Unitholders by way of an Ordinary Resolution of the ESR-REIT Unitholders for the proposed issuance of the Consideration Units at an issue price of S\$0.4924 for each Consideration Unit.
- 15.3 As announced by the ESR-REIT Manager on 18 February 2022, the SGX-ST has also granted its in-principle approval for the listing and quotation of up to 2,607.6 million Consideration Units on the Main Board of the SGX-ST, subject to the following conditions:
- (a) compliance with the SGX-ST's listing requirements;
 - (b) approval of the Independent ESR-REIT Unitholders being obtained for the Merger and the issue of the Consideration Units; and
 - (c) the approval of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court and the Court of Appeal of the Republic of Singapore, for the implementation of the Scheme.
- 15.4 The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Merger, the Scheme, the Enlarged REIT, the ESR-REIT Units, the Consideration Units, ESR-REIT or its subsidiaries.

16. DIRECTORS' SERVICE CONTRACTS

It is intended that following completion of the Merger, the ESR-REIT Manager will be the manager of ESR-LOGOS REIT after completion of the Merger and Mr. Adrian Chui will continue to be the CEO of the ESR-REIT Manager, while Ms. Karen Lee⁵⁷ will join the ESR-REIT Manager as the Deputy CEO. The Nominating and Remuneration Committee of the ESR-REIT Manager will also review the composition of the board of directors of the ESR-REIT Manager as may be appropriate to align with ESR-LOGOS REIT's future strategic direction, focus and corporate governance best practices. Such corporate governance practices include, amongst others, compliance with SFA regulations and the MAS guidelines relating to the independence of the directors on the board of the manager and the duty of the manager to take all necessary steps to avoid conflicts of interest and to act in the best interests of unitholders (including, without limitation, the SFA, the Securities and Futures (Licensing and Conduct of Business) Regulations, the Code of Corporate Governance issued by the MAS on 6 August 2018 and the

⁵⁷ Ms. Karen Lee is currently the CEO of the ALOG Manager.

accompanying Practice Guidance, and the Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management [Guideline No. SFA04-G07] issued by the MAS on 1 January 2016).

17. INTERESTS OF DIRECTORS AND SUBSTANTIAL ESR-REIT UNITHOLDERS

17.1 Directors' Interests in ESR-REIT Units

The interests of the directors of the ESR-REIT Manager in ESR-REIT Units, as recorded in the Register of Directors' Unitholdings as at the Latest Practicable Date, are set out below.

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of ESR-REIT Units	%*	No. of ESR-REIT Units	%*	No. of ESR-REIT Units	%*
Mr. Ronald Lim Cheng Aun	166,321	0.004	-	-	166,321	0.004
Ms. Stefanie Yuen Thio ⁽¹⁾	153,279	0.004	37,951	0.001	191,230	0.005
Mr. Wilson Ang Poh Seong	3,914,774	0.097	-	-	3,914,774	0.097
Mr. Tong Jinquan ⁽²⁾	172,802,987	4.283	484,763,906	12.014	657,566,893	16.297

Notes:

* The percentage interest is based on the number of ESR-REIT Units in issue as the Latest Practicable Date, being 4,035,006,891 ESR-REIT Units. Percentages are rounded to the nearest three (3) decimal places.

(1) As 37,951 ESR-REIT Units are held by Ms. Stefanie Yuen Thio's husband, Ms. Stefanie Yuen Thio is deemed to be interested in these ESR-REIT Units.

(2) Wealthy Fountain Holdings Inc holds 60 ESR-REIT Units and Skyline Horizon Consortium Ltd holds 13,172,094 ESR-REIT Units. Both entities are wholly owned by Shanghai Summit Pte Ltd ("**SSPL**"). The ESR-REIT Manager holds 39,609,074 ESR-REIT Units and is 25% owned by SSPL. Leading Wealth Global Inc holds 431,982,678 ESR-REIT 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 Mr. Tong Jinquan. Therefore, Mr. Tong Jinquan is deemed to be interested in the 484,763,906 ESR-REIT Units held by the above-mentioned entities.

17.2 Interests of Substantial ESR-REIT Unitholders in ESR-REIT Units

The interests of the substantial ESR-REIT Unitholders in ESR-REIT Units, as recorded in the Register of Substantial Unitholders as at the Latest Practicable Date, are set out below.

Substantial ESR-REIT Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of ESR-REIT Units	%*	No. of ESR-REIT Units	%*	No. of ESR-REIT Units	%*
Leading Wealth Global Inc	431,982,678	10.706	-	-	431,982,678	10.706
Longemont Real Estate Pte. Ltd. ⁽¹⁾	-	-	431,982,678	10.706	431,982,678	10.706
Shanghai Summit (Group) Co., Ltd ⁽²⁾	-	-	431,982,678	10.706	431,982,678	10.706
Mr. Tong Jinquan ⁽³⁾	172,802,987	4.283	484,763,906	12.014	657,566,893	16.297
Mr. Tong Yulou	220,040,622	5.453	-	-	220,040,622	5.453
e-Shang Infinity Cayman Limited ⁽⁴⁾	335,747,492	8.321	56,474,154	1.400	392,221,646	9.720
e-Shang Jupiter Cayman Limited ⁽⁵⁾	-	-	392,221,646	9.720	392,221,646	9.720
ESR Cayman Limited ⁽⁶⁾	-	-	392,221,646	9.720	392,221,646	9.720

Notes:

* Based on substantial ESR-REIT Unitholders' disclosures in respect of interests in ESR-REIT Units. The percentage interest is based on the number of ESR-REIT Units in issue as the Latest Practicable Date, being 4,035,006,891 ESR-REIT Units. Percentages are rounded to the nearest three (3) decimal places.

- (1) Leading Wealth Global Inc ("**LWG**") holds 431,982,678 ESR-REIT Units. LWG is a wholly-owned subsidiary of Longemont Real Estate Pte. Ltd. ("**LRE**") and therefore, LRE is deemed to be interested in the 431,982,678 ESR-REIT Units held by LWG.
- (2) LRE is a wholly-owned subsidiary of SSGCL. Therefore, SSGCL is deemed to be interested in the 431,982,678 ESR-REIT Units held by LWG.
- (3) Wealthy Fountain Holdings Inc holds 60 ESR-REIT Units and Skyline Horizon Consortium Ltd holds 13,172,094 ESR-REIT Units. Both entities are wholly owned by SSPL. The ESR-REIT Manager holds 39,609,074 ESR-REIT Units and is 25% owned by SSPL. Both SSPL and SSGCL are wholly owned by Mr. Tong Jinquan. Therefore, Mr. Tong Jinquan is deemed to be interested in the 484,763,906 ESR-REIT Units held by the above-mentioned entities.
- (4) The ESR-REIT Manager and the property manager of ESR-REIT, ESR Property Management (S) Pte. Ltd. ("**ESR-PM**") are indirect subsidiaries of e-Shang Infinity Cayman Limited. Therefore, e-Shang Infinity Cayman Limited is deemed to be interested in the 56,474,154 ESR-REIT Units held by the ESR-REIT Manager and ESR-PM.
- (5) 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 392,221,646 ESR-REIT Units held by e-Shang Infinity Cayman Limited, the ESR-REIT Manager and ESR-PM.
- (6) e-Shang Jupiter Cayman Limited is a wholly-owned subsidiary of ESR Cayman Limited. Therefore, ESR Cayman Limited is deemed to be interested in the 392,221,646 ESR-REIT Units held by e-Shang Infinity Cayman Limited, the ESR-REIT Manager and ESR-PM.

17.3 Directors' Holdings in ALOG Units. As at the Latest Practicable Date, the interests of the directors of the ESR-REIT Manager in ALOG Units are set out below:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of ALOG Units	%*	No. of ALOG Units	%*	No. of ALOG Units	%*
Ms. Stefanie Yuen Thio	63,543	0.004	-	-	63,543	0.004
Mr. Wilson Ang Poh Seong	112,700	0.008	-	-	112,700	0.008

Notes:

* The percentage interest is based on the number of ALOG Units in issue as the Latest Practicable Date, being 1,452,870,872 ALOG Units. Percentages are rounded to the nearest three (3) decimal places.

17.4 **Substantial ESR-REIT Unitholders' Holdings in ALOG Units.** Based on the Register of Substantial Unitholders maintained by the ALOG Manager as at the Latest Practicable Date, none of the substantial ESR-REIT Unitholders also hold ALOG Units.

17.5 Save as disclosed in this Circular, none of the directors of the ESR-REIT Manager or substantial ESR-REIT Unitholders has any interest, direct or indirect, in the Merger.

18. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

18.1 Pursuant to Chapter 9 of the Listing Manual, Rothschild & Co Singapore Limited has been appointed as the independent financial adviser ("IFA") to advise the ESR-REIT Manager's Audit, Risk Management and Compliance Committee (the "**ARCC**") and the ESR-REIT Recommending Directors and the ESR-REIT Trustee as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

18.2 A copy of the letter from the IFA to the members of the ARCC, the ESR-REIT Recommending Directors and the ESR-REIT Trustee (the "**IFA Letter**") is set out in **Appendix A** to this Circular.

18.3 IFA's Recommendation

Taking into account the factors set out in the IFA Letter and subject to the assumptions and qualifications set out in the IFA Letter and taking into account the prevailing conditions as at the Latest Practicable Date, the IFA is of the opinion that the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

Accordingly, the IFA advises that the ARCC and the ESR-REIT Recommending Directors recommend that the ESR-REIT Unitholders vote in favour of the resolutions relating to the Merger.

ESR-REIT Unitholders should read the following extracts in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix A** to Circular:

"In arriving at our Opinion as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority ESR-REIT Unitholders, we evaluated whether the gross exchange ratio of 1.970x is fair and reasonable based on whether the Consideration Units and ALOG Units are fairly valued based on the Consideration Unit Issue Price and the Scheme Consideration, respectively, and have considered, inter alia, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:

- (a) *The completion of the Merger will solidify ESR-REIT's position as a leading REIT with the overall asset size increasing from S\$3.4 billion prior to the Merger to approximately S\$5.4 billion. As a result of an increase in market capitalisation, the Enlarged REIT may experience an increase in trading liquidity, investor coverage as well as a wider and more diversified investor base, higher trading liquidity, increased analyst coverage and a potential positive re-rating of its unit price, which would be beneficial to the Enlarged REIT unitholders;*
- (b) *Based on the FY2020 pro forma financials, the Merger is accretive to ESR-REIT Unitholders on a DPU basis but dilutive on an NAV per ESR-REIT Unit and NTA per ESR-REIT Unit basis;*
- (c) *The Merger will arguably provide ESR-REIT Unitholders with, inter alia:*
 - i. *asset class, geographical (Singapore / Australia exposure) and lease type (freehold / leasehold) diversification benefits;*
 - ii. *a stronger portfolio overall with superior occupancy rates, larger properties and a longer Weighted Average Lease Expiry on average for the Enlarged REIT;*
 - iii. *operational synergies and portfolio optimisation potential;*
 - iv. *organic and inorganic growth opportunities; and*
 - v. *more competitive costs of capital, supporting the future growth of the Enlarged REIT as compared to ESR-REIT on a standalone basis.*
- (d) *The Merger will significantly increase ESR-REIT's exposure to the New Economy sector, reaching the sector mix targeted by the Management. We have considered the scarcity of the opportunity, without which the Management believes it could take a few years to reach the same level of exposure to New Economy. Also, as the New Economy is supported by strong underlying drivers and market trends, the pro-forma sector mix of the Enlarged Entity could result in a potential positive re-rating should the market give credit for it.*
- (e) *The Merger will address the issue of overlapping mandates and potential conflicts of interests. Following completion of the Proposed ARA Acquisition on 20 January, the ESR Group is now an indirect majority controlling shareholder of the LOGOS Group. With ESR-REIT and ALOG sharing a common sponsor, there is a potential for overlapping mandates in relation to asset pipeline, tenant and operational network, and financial resources. The Merger will address the issue of overlapping mandates and potential conflicts and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders.*
- (f) *The Merger will provide ESR-REIT Unitholders increased exposure to the Australian Industrial sector which is experiencing a compression of capitalisation rates due to*

strong underlying fundamentals such as elevated take up rates, low vacancy and strong rental growth in 4Q2021 (as defined herein), which is expected to continue over the next 12 months.

In the evaluation of the Consideration Unit Issue Price:

- 1. Liquidity analysis of the ESR-REIT Units and the Top 30 STI Companies indicate that there is reasonable liquidity in the ESR-REIT Units and that the market prices of the ESR-REIT Units should generally reflect the fundamental, market-based value of the ESR-REIT Units;*
- 2. The historical market performance and trading activity of the ESR-REIT Units indicate that:*
 - (i) the Consideration Unit Issue Price of S\$0.4924 represents a premium of 5.9% to the closing price of the ESR-REIT Units on the Last Undisturbed Trading Date;*
 - (ii) the Consideration Unit Issue Price of S\$0.4924 represents a premium of 4.5%, 5.0%, 10.1% and 14.0% to the 1-month, 3-month, 6-month and 12-month VWAPs of the ESR-REIT Units up to and including the Last Undisturbed Trading Date, respectively; and*
 - (iii) the average daily trading volume of the ESR-REIT Units as a percentage of the free float ranged between 0.33% and 0.75%, in the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date;*
- 3. The comparison of the Latest P/NAV multiple implied by the Consideration Unit Issue Price of 1.24x to the trailing Latest P/NAV multiples of the ESR-REIT Units indicates that the Latest P/NAV multiple of 1.24x implied by the Consideration Unit Issue Price is:*
 - (i) within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.94x to 1.32x and above the mean and median of 1.12x, over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - (ii) within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.84x to 1.32x and above the mean and median of 1.04x and 1.01x, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and*
 - (iii) within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.56x to 1.76x and above the mean and median of 1.11x and 1.12x, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;*
- 4. The comparison of the LTM DY of the ESR-REIT Units implied by the Consideration Unit Issue Price of 6.5% to the trailing LTM DYs of the ESR-REIT Units indicates that the LTM DY of 6.5% implied by the Consideration Unit Issue Price is:*

- (i) *within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 8.2% and below the mean and median of 7.3%, over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - (ii) *within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 8.7% and below the mean and median of 7.5% and 7.6%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and*
 - (iii) *within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 14.7% and below the mean and median of 7.4% and 7.1%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;*
- 5. *The comparison of the LTM Implied NPI Yield of the ESR-REIT Units implied by the Consideration Unit Issue Price of 4.9% to the trailing LTM Implied NPI Yields of the ESR-REIT Units indicates that the LTM Implied NPI Yield of 4.9% implied by the Consideration Unit Issue Price is:*
 - (i) *within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 4.6% to 5.4% and in line with the mean and median of 5.0%, over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - (ii) *within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 4.6% to 5.9% and below the mean and median of 5.3%, over the 12-month period up to and including the Last Undisturbed Trading Date; and*
 - (iii) *within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 3.5% to 7.7% and below the mean and median of 5.1% and 5.3%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;*
- 6. *The comparison of valuation multiples implied by the Consideration Unit Issue Price to those of the Selected Mid-Cap Comparable Industrial S-REITs indicates that:*
 - (i) *the Latest P/NAV multiple implied by the Consideration Unit Issue Price of 1.24x is above the range of the Latest P/NAV multiples of the Mid-Cap Comparable Industrial S-REITs of 0.87x to 1.01x and above the mean and median of 0.94x;*
 - (ii) *the LTM DY implied by the Consideration Unit Issue Price of 6.5% is below the range of the LTM DYs of the Mid-Cap Comparable Industrial S-REITs of 6.8% and 7.1% and below the mean and median of 7.0%; and*
 - (iii) *the LTM Implied NPI Yield implied by the Consideration Unit Issue Price of 4.9% is below the range of the LTM Implied NPI Yields of the Mid-Cap Comparable Industrial S-REITs of 5.4% and 6.2% and below the mean and median of 5.8%;*
- 7. *The comparison of premium / (discount) of the ESR-REIT Units as implied by the Consideration Unit Issue Price to the equivalent premia / (discount) offered in the Precedent Transactions indicates that:*
 - (i) *the premium of 5.9% implied by the Consideration Unit Issue Price over the closing price of the ESR-REIT Units on the Last Undisturbed Trading Date is above the*

range of the equivalent premia / (discount) offered in the Precedent Transactions of (4.4)% and 0.0% and above the mean and median of (0.9)% and 0.0%, respectively;

- (ii) the premium of 10.1% implied by the Consideration Unit Issue Price over the 6-month VWAP of the ESR-REIT Units up to and including the Last Undisturbed Trading Date is above the range of the equivalent premia / (discount) offered in the Precedent Transactions of (4.8)% and 8.9% and above the mean and median of 1.8% and 1.6%, respectively; and*
- (iii) the premium of 14.0% implied by the Consideration Unit Issue Price over the 12-month VWAP of the ESR-REIT Units up to and including the Last Undisturbed Trading Date is above the range of the equivalent premia / (discount) offered in the Precedent Transactions of (5.6)% and 12.8% and above the mean and median of 3.3% and 4.9%, respectively;*

In the evaluation of the Scheme Consideration:

- 1. Liquidity analysis of the ALOG Units and the Top 30 STI Companies indicate that there is reasonable liquidity in the ALOG Units and that the market prices of the ALOG Units should generally reflect the fundamental, market-based value of the ALOG Units;*
- 2. The historical market performance and trading activity of the ALOG Units indicate that:*
 - (i) the Scheme Consideration of S\$0.970 represents a premium of 3.7% to the closing price of the ALOG Units on the Last Undisturbed Trading Date;*
 - (ii) the Scheme Consideration of S\$0.970 represents a premium of 4.5%, 6.2%, 10.7% and 24.4% to the 1-month, 3-month, 6-month and 12-month VWAPs of the ALOG Units up to and including the Last Undisturbed Trading Date, respectively; and*
 - (iii) the average daily trading volume of the ALOG Units as a percentage of the free float ranged between 0.31% and 0.59%, in the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date;*
- 3. The comparison of the Latest P/NAV multiple implied by the Scheme Consideration of 1.44x to the trailing Latest P/NAV multiples of the ALOG Units indicates that the Latest P/NAV multiple of 1.44x implied by the Scheme Consideration is:*
 - (i) within the range of the trailing Latest P/NAV multiples of the ALOG Units of 1.24x to 1.64x and in line with the mean and median of 1.41x and 1.37x, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - (ii) within the range of the trailing Latest P/NAV multiples of the ALOG Units of 0.99x to 1.64x and above with the mean and median of 1.32x and 1.33x, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and*

- (iii) *within the range of the trailing Latest P/NAV multiples of the ALOG Units of 0.61x to 1.64x and is above the mean and median of 1.16x and 1.13x, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;*
- 4. *The comparison of the LTM DY of the ALOG Units implied by the Scheme Consideration of 5.7% to the trailing LTM DYs of the ALOG Units indicates that the LTM DY of 5.7% implied by the Scheme Consideration is:*
 - (i) *below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 7.9% and below the mean and median of 6.7% and 6.2%, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - (ii) *below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 10.2% and below the mean and median of 7.6% and 7.4%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and*
 - (iii) *below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 15.4% over the 36-month period up to and including the Last Undisturbed Trading Date and below the mean and median of 8.1% and 8.0%, respectively;*
- 5. *The comparison of the LTM Implied NPI Yield of the ALOG Units implied by the Scheme Consideration of 4.2% to the trailing LTM Implied NPI Yields of the ALOG Units indicates that the LTM Implied NPI Yield of 4.2% implied by the Scheme Consideration is:*
 - (i) *within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 4.7% and within the range of the mean and median of 4.3% and 4.2%, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - (ii) *within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 6.7% and below the mean and median of 5.1% and 4.6%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and*
 - (iii) *within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 8.0% and below the mean and median of 6.0% and 6.3%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;*
- 6. *The comparison of valuation multiples implied by the Scheme Consideration to those of the Selected Mid-Cap Comparable Industrial S-REITs indicates that:*
 - (i) *the Latest P/NAV multiple implied by the Scheme Consideration of 1.44x is above the range of the Latest P/NAV multiples of the Mid-Cap Comparable Industrial S-REITs of 0.87x to 1.01x and is above the mean and median of 0.94x;*
 - (ii) *the LTM DY implied by the Scheme Consideration of 5.7% is below the range of the LTM DYs of the Mid-Cap Comparable Industrial S-REITs of 6.8% and 7.1% and is below the mean and median of 7.0%; and*
 - (iii) *the LTM Implied NPI Yield implied by the Scheme Consideration of 4.2% is below*

the range of the LTM Implied NPI Yields of the Mid-Cap Comparable Industrial S-REITs of 5.4% and 6.2% and is below with the mean and median of 5.8%;

7. *The comparison of valuation multiples implied by the Scheme Consideration to those of the Selected Comparable Industrial A-REITs indicates that:*
 - (i) *the Latest P/NAV multiple implied by the Scheme Consideration of 1.44x is above the range of the Latest P/NAV multiples of the Selected Comparable Industrial A-REITs of 0.92x to 0.94x and is above the mean and median of 0.93x;*
 - (ii) *the LTM DY implied by the Scheme Consideration of 5.7% is above the range of the LTM DYs of the Selected Comparable Industrial A-REITs of 4.5% and 5.4% and is above the mean and median of 5.0%; and*
 - (iii) *the LTM Implied NPI Yield implied by the Scheme Consideration of 4.2% is above the range of the LTM Implied NPI Yields of the Selected Comparable Industrial A-REITs of 2.9% and 3.4% and is above the mean and median of 3.1%;*
8. *The comparison of premium / (discount) of the ALOG Units as implied by the Scheme Consideration to the equivalent premia / (discount) offered in the Precedent Transactions indicates that:*
 - (i) *the premium of 43.7% implied by the Scheme Consideration over the prevailing ALOG P/NAV as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of (5.5)% and 26.4% and is above the mean and median of 7.8% and 5.0%, respectively;*
 - (ii) *the premium of 10.7% implied by the Scheme Consideration over the 6-month VWAP of the ALOG Units up to and including the Last Undisturbed Trading Date is within the range of the equivalent premia / (discount) offered in the Precedent Transactions of 1.5% and 24.2% and is above the mean and median of 9.5% and 5.1%, respectively; and*
 - (iii) *the premium of 24.4% implied by the Scheme Consideration over the 12-month VWAP of the ALOG Units up to and including the Last Undisturbed Trading Date is within the range of the equivalent premia / (discount) offered in the Precedent Transactions of 0.4% and 31.9% and is above the mean and median of 12.4% and 8.5%, respectively;*

In the evaluation of the Exchange Ratio:

1. *The comparison of the Exchange Ratio to the exchange ratio as implied by the closing prices of the ESR-REIT Units and ALOG Units indicates that:*
 - (i) *The Exchange Ratio of 1.970x represents a premia / (discount) of (1.1)%, 0.1%, 1.1%, 0.5% and 9.1% over the implied exchange ratio between the ESR-REIT Units and the ALOG Units of 1.992x, 1.969x, 1.948x, 1.960x, and 1.806x as at the Last Undisturbed Trading Date, and for the 1-month, 3-month, 6-month, and 12-month periods prior to the Last Undisturbed Trading Date respectively; and*

Other relevant considerations which have a significant bearing on our assessment, in relation to:

1. We note that the proportion of the Scheme Consideration to be paid in cash is within the range of 5.0% to 16.0% of the cash components paid in the Precedent Transactions;
2. In determining the carrying values of the ALOG Real Properties and the ALOG Fund Real Properties, the ESR-REIT 805 Auditor had also considered the valuations of these properties concluded by the ALOG Group, the New LAIVS Trust and the Oxford Property Fund as of 31 December 2021, which have not materially changed when compared to the carrying values as at 30 September 2021, in assessing the robustness of the valuations as at 30 September 2021; and
3. The Merger being an interested person transaction and interested party transaction.

Tables 19 and 20 summarise the abovementioned key financial analyses performed.

Table 19. Summary analysis of the Consideration Unit Issue Price

Metric	Min ⁽¹⁾	Max ⁽¹⁾	Mean ⁽¹⁾	Median ⁽¹⁾	Merger as at LUTD ⁽²⁾	Min - Max Range ^{(3),(4)}	Mean - Median Range ^{(3),(4)}
Summary analysis of the Consideration Unit Issue Price							
Historical trading range of the ESR-REIT Units							
Closing price (S\$) - 3-month period up to the LUTD	0.43	0.51	0.46	0.47	0.49	Within	Above
Closing price (S\$) - 6-month period up to the LUTD	0.38	0.51	0.43	0.44	0.49	Within	Above
Closing price (S\$) - 12-month period up to the LUTD	0.34	0.51	0.41	0.40	0.49	Within	Above
Closing price (S\$) - 3-year period up to the LUTD	0.24	0.56	0.46	0.47	0.49	Within	Above
Trailing P/NAV multiples							
As at the LUTD	1.17x	1.17x	1.17x	1.17x	1.24x	Above	Above
6-month period up to the LUTD	0.94x	1.32x	1.12x	1.12x	1.24x	Within	Above
12-month period up to the LUTD	0.84x	1.32x	1.04x	1.01x	1.24x	Within	Above
36-month period up to the LUTD	0.56x	1.76x	1.11x	1.12x	1.24x	Within	Above
Trailing Distribution Yields							
As at the LUTD	6.9%	6.9%	6.9%	6.9%	6.5%	Below	Below
6-month period up to the LUTD	6.3%	8.2%	7.3%	7.3%	6.5%	Within	Below
12-month period up to the LUTD	6.3%	8.7%	7.5%	7.6%	6.5%	Within	Below
36-month period up to the LUTD	6.3%	14.7%	7.4%	7.1%	6.5%	Within	Below
Trailing Implied NPI Yields⁽⁵⁾							
As at the LUTD	4.8%	4.8%	4.8%	4.8%	4.9%	In line	In line
6-month period up to the LUTD	4.6%	5.4%	5.0%	5.0%	4.9%	Within	In line
12-month period up to the LUTD	4.6%	5.9%	5.3%	5.3%	4.9%	Within	Below
36-month period up to the LUTD	3.5%	7.7%	5.1%	5.3%	4.9%	Within	Below
Trading Multiples of Selected Comparable Industrial S-REITs							
Mid-Cap Comparable Industrial S-REITs							
Latest P/NAV Multiples	0.87x	1.01x	0.94x	0.94x	1.24x	Above	Above
LTM Distribution Yield	6.8%	7.1%	7.0%	7.0%	6.5%	Below	Below
LTM Implied NPI Yield ⁽⁵⁾	5.4%	6.2%	5.8%	5.8%	4.9%	Below	Below
Large-Cap Comparable Industrial S-REITs (Secondary Comparables Set)							
Latest P/NAV Multiples	1.14x	1.42x	1.26x	1.24x	1.24x	Within	Within
LTM Distribution Yield	4.9%	5.4%	5.3%	5.4%	6.5%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	4.5%	5.0%	4.7%	4.7%	4.9%	Within	In line
Precedent Transactions of Selected S-REIT Mergers							
Premium / (discount) to Closing price as at last trading date	(4.4%)	0.0%	(0.9%)	0.0%	5.9%	Above	Above
Premium / (discount) over 6-month VWAP	(4.8%)	8.9%	1.8%	1.6%	10.1%	Above	Above
Premium / (discount) over 12-month VWAP	(5.6%)	12.8%	3.3%	4.9%	14.0%	Above	Above

Sources: FactSet, Bloomberg, SGX, company filings on the SGX-ST

- (1) Minimum, maximum, mean and median of the respective benchmarks
(2) Implied by the Merger as at the LUTD (14 October 2021)

- (3) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks
- (4) A metric is classified as "In line" when the parameters implied by the Merger are within a 5% range of the average of the minimum and maximum or the mean and median, as applicable, of the respective benchmarks
- (5) The LTM Implied NPI Yield is calculated by dividing the net property income over the prior 12 months by the enterprise value implied by the Consideration Unit Issue Price (please refer to Table 4 in this Letter for more details)

Table 20. Summary analysis of the Scheme Consideration

Metric	Min ⁽¹⁾	Max ⁽¹⁾	Mean ⁽¹⁾	Median ⁽¹⁾	Merger as at LUTD ⁽²⁾	Min - Max Range ^{(3),(4)}	Mean - Median Range ^{(3),(4)}
Summary Analysis of the Scheme Consideration							
Historical trading range of the ALOG Units							
Closing price (S\$) - 3-month period up to the LUTD	0.87	0.95	0.90	0.90	0.97	Above	Above
Closing price (S\$) - 6-month period up to the LUTD	0.74	0.95	0.85	0.88	0.97	Above	Above
Closing price (S\$) - 12-month period up to the LUTD	0.57	0.95	0.75	0.74	0.97	Above	Above
Closing price (S\$) - 3-year period up to the LUTD	0.36	0.95	0.70	0.71	0.97	Above	Above
Trailing P/NAV multiples							
As at the LUTD	1.39x	1.39x	1.39x	1.39x	1.44x	Above	Above
6-month period up to the LUTD	1.24x	1.64x	1.41x	1.37x	1.44x	Within	In line
12-month period up to the LUTD	0.99x	1.64x	1.32x	1.33x	1.44x	Within	Above
36-month period up to the LUTD	0.61x	1.64x	1.16x	1.13x	1.44x	Within	Above
Trailing Distribution Yields							
As at the LUTD	5.9%	5.9%	5.9%	5.9%	5.7%	In line	In line
6-month period up to the LUTD	5.8%	7.9%	6.7%	6.2%	5.7%	Below	Below
12-month period up to the LUTD	5.8%	10.2%	7.6%	7.4%	5.7%	Below	Below
36-month period up to the LUTD	5.8%	15.4%	8.1%	8.0%	5.7%	Below	Below
Trailing Implied NPI Yields⁽⁵⁾							
As at the LUTD	4.1%	4.1%	4.1%	4.1%	4.2%	In line	In line
6-month period up to the LUTD	4.1%	4.7%	4.3%	4.2%	4.2%	Within	Within
12-month period up to the LUTD	4.1%	6.7%	5.1%	4.6%	4.2%	Within	Below
36-month period up to the LUTD	4.1%	8.0%	6.0%	6.3%	4.2%	Within	Below
Trading Multiples of Selected Comparable Industrial REITs							
Mid-Cap Comparable Industrial S-REITs							
Latest P/NAV Multiples	0.87x	1.01x	0.94x	0.94x	1.44x	Above	Above
LTM Distribution Yield	6.8%	7.1%	7.0%	7.0%	5.7%	Below	Below
LTM Implied NPI Yield ⁽⁵⁾	5.4%	6.2%	5.8%	5.8%	4.2%	Below	Below
Selected Comparable Industrial A-REITs							
Latest P/NAV Multiples	0.92x	0.94x	0.93x	0.93x	1.44x	Above	Above
LTM Distribution Yield	4.5%	5.4%	5.0%	5.0%	5.7%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	2.9%	3.4%	3.1%	3.1%	4.2%	Above	Above
Large-Cap Comparable Industrial S-REITs (Secondary Comparables Set)							
Latest P/NAV Multiples	1.14x	1.42x	1.26x	1.24x	1.44x	Above	Above
LTM Distribution Yield	4.9%	5.4%	5.3%	5.4%	5.7%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	4.5%	5.0%	4.7%	4.7%	4.2%	Below	Below
Precedent Transactions of Selected S-REIT Mergers							
Premium / (discount) to NAV	(5.5%)	26.4%	7.8%	5.0%	43.7%	Above	Above
Premium / (discount) over 6-month VWAP	1.5%	24.2%	9.5%	5.1%	10.7%	Within	Above
Premium / (discount) over 12-month VWAP	0.4%	31.9%	12.4%	8.5%	24.4%	Within	Above
Precedent Takeovers Premia							
General Singapore Takeovers							
Premium / (discount) to Closing price as at last trading date	(0.0%)	88.1%	23.1%	16.5%	3.7%	Within	Below
Premium / (discount) over 1-month VWAP	0.3%	105.2%	29.3%	24.0%	4.5%	Within	Below
Premium / (discount) over 3-month VWAP	0.7%	124.2%	33.4%	25.8%	6.2%	Within	Below
Premium / (discount) over 6-month VWAP	3.0%	139.8%	36.1%	26.2%	10.7%	Within	Below

Sources: FactSet, Bloomberg, SGX, company filings on the SGX-ST

- (1) Minimum, maximum, mean and median of the respective benchmarks
- (2) Implied by the Merger as at the LUTD (14 October 2021)
- (3) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks
- (4) A metric is classified as "In line" when the parameters implied by the Merger are within a 5% range of the average of the minimum and maximum or the mean and median, as applicable, of the respective benchmarks
- (5) The LTM Implied NPI Yield is calculated by dividing the net property income over the prior 12 months by the enterprise value implied by the Scheme Consideration (please refer to Table 4 in this Letter for more details)

Taking into account the factors set out herein, and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that:

The Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

Accordingly, we advise that the ARCC and the ESR-REIT Recommending Directors recommend that the ESR-REIT Unitholders vote in favour of resolutions relating to the Merger."

ESR-REIT Unitholders should further note that the IFA's opinion on the Merger cannot and does not take into account the future trading activity or patterns or price levels that may be established for the ESR-REIT Units and the ALOG Units as these are governed by factors beyond the scope of the IFA's review and would not fall within the IFA's terms of reference in connection with the Merger. ESR-REIT Unitholders should not rely on the IFA's opinion as the sole basis for deciding whether or not to vote in favour of the Merger.

19. RECOMMENDATIONS

19.1 The Merger and the Issue of Consideration Units pursuant to the Merger at the issue price of S\$0.4924 for each Consideration Unit as part of the consideration for the Merger

The ESR-REIT Recommending Directors (which, for the avoidance of doubt, excludes Mr. Philip John Pearce, Mr. Jeffrey David Perlman and Mr. Tong Jinquan) have considered the relevant factors, including the terms of the Merger and the rationale for the Merger as set out in paragraph 6, as well as the IFA's opinion as set out in the IFA Letter in **Appendix A** to this Circular, and recommend that the Independent ESR-REIT Unitholders **VOTE IN FAVOUR OF** Resolution 1, the Ordinary Resolution relating to the Merger, and Resolution 2, the Ordinary Resolution relating to the issue of Consideration Units at an issue price of S\$0.4924 for each Consideration Unit as part of the consideration for the Merger, to the ALOG Unitholders.

19.2 No Regard to Specific Objectives

ESR-REIT Unitholders, in deciding whether to vote in favour of the resolutions set out in the Notice of EGM in **Appendix E** to this Circular, should read carefully the terms, rationale and *pro forma* financial effects of the Merger, and consider carefully the IFA's advice. In giving the above recommendations, the Directors have not had regard to any general or specific investment objectives, financial situations, tax positions or particular needs or constraints of any individual ESR-REIT Unitholder or any specific group of ESR-REIT Unitholders. As different ESR-REIT Unitholders have different investment profiles and objectives, the Directors recommend that any Independent ESR-REIT Unitholder who may require specific advice in relation to his/her investment portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

20. STATEMENT OF THE AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

Based on the IFA's opinion as set out in the IFA Letter in **Appendix A** to this Circular and the rationale for the Merger as set out in paragraph 6, the ARCC (comprising Mr. Khor Un-Hun as the chairman and Mr. Ooi Eng Peng, Dr. Leong Horn Kee, Mr. Ronald Lim Cheng Aun and Ms. Stefanie Yuen Thio) is of the opinion that the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

21. ABSTENTIONS FROM VOTING

21.1 The Sponsor to Abstain from Voting

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given. As set out in paragraph 14.2 above, the Sponsor and its associates will abstain from voting (either in person or by proxy) on the resolutions relating to the Merger at the EGM.

21.2 Summit Group to Abstain from Voting

As set out in paragraph 14.3 above, pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, the Summit Group will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

21.3 Mitsui to Abstain from Voting

As set out in paragraph 14.4 above, pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, Mitsui will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

21.4 ESR-REIT will disregard any votes cast on a resolution by persons required to abstain from voting.

22. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in **Appendix E** to this Circular (the "**Notice of EGM**"), will be held by electronic means on 21 March 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, the resolutions set out in the Notice of EGM.

In line with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, unless otherwise requested, no printed copies of this Circular will be despatched to ESR-REIT Unitholders. For ESR-REIT Unitholders' convenience, printed copies of the Notice of EGM and the Proxy Form will be despatched to ESR-REIT Unitholders. A copy of this Circular (including the Notice of EGM and the Proxy Form) has been uploaded

on SGXNET and may also be accessed on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>.

23. ACTION TO BE TAKEN BY ESR-REIT UNITHOLDERS

23.1 No Attendance in Person

Due to the current COVID-19 restriction orders in Singapore, the EGM will be conducted only by way of electronic means ("**Virtual Meeting**") and ESR-REIT Unitholders will not be able to physically attend the EGM.

23.2 Alternative Arrangements

Alternative arrangements have been put in place to allow ESR-REIT Unitholders to participate in the EGM as follows:

(a) Live Audio and Video Webcast

The proceedings of the EGM will be broadcast through a "live" webcast comprising both video (audio-visual) and audio-only feeds. All ESR-REIT Unitholders who wish to follow the proceedings of the EGM through the "live" webcast must pre-register online at <https://smartagm.sg/esrreitegm21March2022> (the "**Pre-registration Page**") **by 18 March 2022 (Friday), 10.00 a.m.** (being 72 hours before the time appointed for the holding of the EGM) for verification purposes. Following successful verification, a confirmation email which contains unique user credentials and instructions on how to access the live audio-visual webcast / live audio-only stream of the EGM proceedings and submit questions during the EGM will be sent to you before the EGM (the "**Confirmation Email**").

(b) Submission of Questions

All ESR-REIT Unitholders will be able to pose questions "live" at the Virtual Meeting during the live audio-visual webcast. All ESR-REIT Unitholders can and are strongly encouraged to submit questions relating to the business of the EGM up till 13 March 2022 (Sunday) on the Pre-registration Page or via electronic mail to ir@esr-reit.com.sg or by post addressed to the Unit Registrar of ESR-REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. Questions should be submitted to the Pre-registration Page or should reach the email address or address specified above on or before 13 March 2022 (Sunday). The ESR-REIT Manager will publish the responses to substantial and relevant questions received on or before 13 March 2022 (Sunday) on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> and on SGXNET prior to the EGM by 15 March 2022 (Tuesday). The ESR-REIT Manager may also publish further responses after 15 March 2022 (Tuesday) to substantial and relevant questions received after 13 March 2022 (Sunday).

(c) **Voting Solely via Appointing Chairman as Proxy (Submit a Proxy Form)**

ESR-REIT Unitholders will only be able to vote at the EGM by appointing the Chairman of the EGM as proxy to vote on their behalf. Duly completed Proxy Forms must be deposited with ESR-REIT (i) via post to the office of the Unit Registrar of ESR-REIT at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or (ii) via electronic mail to SRS.TeamE@boardroomlimited.com (e.g. enclosing a clear scanned completed and signed Proxy Form in PDF), and must be received by ESR-REIT **by 18 March 2022 (Friday), 10.00 a.m.** (being 72 hours before the time appointed for the holding of the EGM). In the Proxy Form, an ESR-REIT Unitholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the EGM. If no specific direction as to voting is given, the Chairman of the EGM will vote or abstain from voting at his/her discretion.

Persons who hold ESR-REIT Units through a Relevant Intermediary (as defined in the ESR-REIT Trust Deed) (the "**Relevant Intermediary Unitholders**") who wish to participate in the EGM by (A) observing and/or listening to the EGM proceedings via the live audio-visual webcast / live audio-only stream; (B) submitting questions in advance of the EGM; and/or (C) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM, should approach their respective Relevant Intermediary as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

Please refer to the Notice of EGM in **Appendix E** to this Circular for further information, including the steps to be taken by ESR-REIT Unitholders to participate in the EGM.

In view of the rapidly evolving COVID-19 situation, ESR-REIT Unitholders should note that the manner of conduct of the EGM may be subject to further changes at short notice. ESR-REIT Unitholders are advised to check SGXNET and ESR-REIT's website regularly for updates.

24. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Merger and the ESR-REIT Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including ALOG and/or the ALOG Manager), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reflected and reproduced in this Circular in its proper form and context.

25. FINANCIAL ADVISERS' RESPONSIBILITY STATEMENT

Citigroup Global Markets Singapore Pte. Ltd. and Maybank Securities Pte. Ltd. (formerly known as Maybank Kim Eng Securities Pte. Ltd.), are the financial advisers to the ESR-REIT Manager in respect of the Merger and the Scheme (the "**Financial Advisers**").

To the best of each of the Financial Advisers' knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Merger and the ESR-REIT Group, and each Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

26. CONSENTS

The IFA (being Rothschild & Co Singapore Limited) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter set out in **Appendix A** to this Circular and all references thereto and in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

Each of the Financial Advisers (being Citigroup Global Markets Singapore Pte. Ltd. and Maybank Securities Pte. Ltd. (formerly known as Maybank Kim Eng Securities Pte. Ltd.)) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto and in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

The ESR-REIT 805 Auditor has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the ESR-REIT 805 Auditor's Opinion (set out in **Appendix C**) and all references thereto and in the form and context in which they appear in this Circular.

Each of the lending banks referred to in paragraph 9.5 (being DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, Sumitomo Mitsui Banking Corporation Singapore Branch) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto and in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

The legal adviser to the ESR-REIT Manager (being WongPartnership LLP) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto and in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

The legal adviser to the ESR-REIT Trustee (being Dentons Rodyk & Davidson LLP) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto and in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

27. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours⁵⁸ at the registered office of the ESR-REIT Manager at 8 Changi Business Park Avenue 1, #05-51, ESR BizPark @ Changi (South Tower), Singapore 486018 from the date of this Circular up to and including the date falling three (3) months after the date of this Circular:

- (a) the Implementation Agreement;
- (b) the IFA Letter set out in **Appendix A** to this Circular;
- (c) the ESR-REIT 805 Auditor's Opinion set out in **Appendix C** to this Circular;
- (d) the written consents of each of the IFA, the Financial Advisers, the ESR-REIT 805 Auditor, the Lending Banks and the legal advisers to the ESR-REIT Manager and the ESR-REIT Trustee as set out in paragraph 26 above;
- (e) the ESR-REIT Independent Valuation Certificates;
- (f) the ESR-REIT Independent Valuation Reports; and
- (g) the ESR-REIT FY2021 Financial Statements and the audited consolidated financial statements of the ESR-REIT Group for FY2018, FY2019 and FY2020.

The ESR-REIT Trust Deed will be available for inspection during normal business hours at the registered office of the ESR-REIT Manager for so long as ESR-REIT is in existence.

Yours faithfully

ESR Funds Management (S) Limited
As Manager of ESR-REIT
(Company Registration No.: 200512804G, Capital Markets Services Licence No.: CMS 100132)

Adrian Chui
Chief Executive Officer and Executive Director

25 February 2022

⁵⁸ Prior appointment is required in light of the COVID-19 situation.

Important Notice:

The value of units in ESR-REIT (the "**ESR-REIT Units**") and the income derived from them may fall as well as rise. ESR-REIT Units are not investments or deposits in, or liabilities or obligations of the ESR-REIT Manager, the ESR-REIT Trustee, or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in ESR-REIT Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the ESR-REIT Manager, the ESR-REIT Trustee nor any of their Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors should note that they have no right to request the ESR-REIT Manager to redeem or purchase their ESR-REIT Units for so long as the ESR-REIT Units are listed on the SGX-ST. It is intended that investors may only deal in their ESR-REIT Units through trading on the SGX-ST. Listing of the ESR-REIT Units on the SGX-ST does not guarantee a liquid market for the ESR-REIT Units. This Circular may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-REIT's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the ESR-REIT Manager's current view of future events.

This Circular 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 Circular is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-REIT or any investment or product of or to subscribe to any services offered by the ESR-REIT Manager, the ESR-REIT Trustee or any of their Affiliates.

APPENDIX A

IFA LETTER

The ARCC, the ESR-REIT Recommending Directors and the ESR-REIT Trustee

ESR Funds Management (S) Limited
as Manager of ESR-REIT
8 Changi Business Park Avenue 1 #05-51
ESR BizPark @ Changi (South Tower)
Singapore 486018

RBC Investor Services Trust Singapore Limited
as Trustee of ESR-REIT
8 Marina View
#26-01 Asia Square Tower 1
Singapore 018960

25 February 2022

Dear Sir/Madam,

INDEPENDENT FINANCIAL ADVICE WITH RESPECT TO:

- (1) **THE PROPOSED MERGER OF ESR-REIT AND ARA LOGOS LOGISTICS TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT; AND**
- (2) **THE PROPOSED ISSUE OF NEW ESR-REIT UNITS TO THE ARA LOGOS LOGISTICS TRUST UNITHOLDERS AT AN ISSUE PRICE OF S\$0.4924 FOR EACH ESR-REIT UNIT AS PART OF THE CONSIDERATION FOR THE PROPOSED MERGER**

For the purposes of this Letter ("Letter"), capitalised terms not otherwise defined herein shall have the same meaning as defined in the circular dated 25 February 2022 issued by ESR Funds Management (S) Limited, in its capacity as manager of ESR-REIT, to the ESR-REIT Unitholders (the "Circular").

Please refer to section 1.5 on pages 3 and 4 of this Letter for a summary of the key financial analyses performed in this Letter, which should be considered in the context of the entirety of this Letter and the Circular.

1 INTRODUCTION

1.1 The Merger and the Scheme

On 15 October 2021 (the "**Joint Announcement Date**"), the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), and ARA LOGOS Trust Management Limited, as manager of ARA LOGOS Logistics Trust ("**ALOG**", and the manager of ALOG, the "**ALOG Manager**"), jointly announced the proposed merger (the "**Merger**") of ESR-REIT and ALOG (the "**Joint Announcement**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Merger will be effected through the acquisition by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (the "**ESR-REIT Trustee**") of all the units of ALOG (the "**ALOG Units**") held by the unitholders of ALOG (the "**ALOG Unitholders**") in exchange for a combination of cash and units in ESR-REIT (the "**ESR-REIT Units**") by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**"). On 15 October 2021, the board of directors of the ESR-REIT Manager also released the Acquisition Announcement.

On 22 January 2022 (the “**Revised Joint Announcement Date**”), the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued a further joint announcement (the “**Revised Joint Announcement**”) in relation to, *inter alia*, the revision of the Scheme Consideration payable to the ALOG Unitholders pursuant to the Merger and the Scheme (the “**Revision**”). On 22 January 2022, the board of directors of the ESR-REIT Manager also released the Revised Acquisition Announcement.

Copies of the Joint Announcement and the Revised Joint Announcement are available on the SGX-ST at www.sgx.com. For further details on the Scheme, please refer to the Joint Announcement, the Revised Joint Announcement and the revised scheme document dated 25 February 2022 issued by the ALOG Manager on behalf of ALOG to all the ALOG Unitholders in relation to the Merger and the Scheme (the “**Scheme Document**”).

1.2 Summary of Approvals Sought

The Merger constitutes a major transaction under Rule 1014 of the listing manual (the “**Listing Manual**”) of the SGX-ST and accordingly requires the approval of the unitholders of ESR-REIT (the “**ESR-REIT Unitholders**”) under Rule 1014(2) of the Listing Manual.

The issue of the ESR-REIT Units as consideration for the Scheme (the “**Consideration Units**”) at an issue price of S\$0.4924 for each Consideration Unit (the “**Consideration Unit Issue Price**”) requires the approval of the ESR-REIT Unitholders by way of an Ordinary Resolution.

Further, the Merger and the issue of Consideration Units as consideration for the Merger each constitutes an interested person transaction under Chapter 9 of the Listing Manual, as well as an interested party transaction under Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”) requiring the approval of the Independent ESR-REIT Unitholders.

In light of the above, the ESR-REIT Manager is seeking approval from the ESR-REIT Unitholders on each of the following inter-conditional resolutions at an extraordinary general meeting of the ESR-REIT Unitholders (the “**EGM**”). Accordingly, if either of the resolutions is not approved by the requisite majority, the Scheme will not be implemented:

- (a) Resolution 1: the Merger; and
- (b) Resolution 2: the proposed issue of new ESR-REIT Units to the ALOG Unitholders at an issue price of S\$0.4924 for each ESR-REIT Unit as part of the consideration for the Merger.

In respect of each of Resolution 1 and Resolution 2, the ESR-REIT Manager is seeking approval by way of Ordinary Resolutions.

ESR-REIT Unitholders should note that Resolution 1 and Resolution 2 (collectively, the “Proposed Merger Resolutions”) are inter-conditional. Accordingly, if either of the resolutions is not approved by the requisite majority, the Scheme will not be implemented. These resolutions are also conditional upon the Scheme becoming effective in accordance with its terms.

1.3 Delisting ALOG

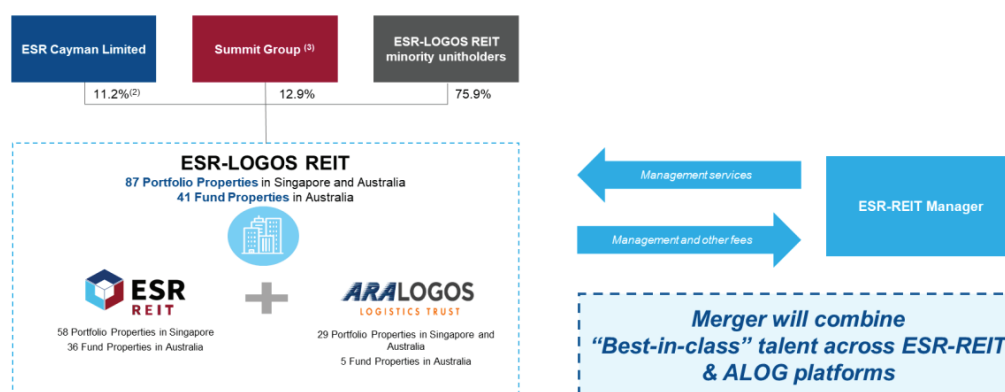
Upon completion of the Scheme, ALOG will be wholly-owned by the ESR-REIT Trustee and will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

1.4 Enlarged REIT Structure

Following the Merger, it is intended that the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT". It is currently envisaged that the structure of ESR-LOGOS REIT upon completion of the Merger will be as follows:

1.4.1 ESR-LOGOS REIT Structure Post-Merger⁽¹⁾

ESR-LOGOS REIT Structure Post-Merger⁽¹⁾



Notes:

- (1) Illustrative pro forma unitholding structure based on latest available information as at 18 February 2022, based on a gross exchange ratio of 1.970x. The gross exchange ratio of 1.970x is derived by dividing the revised Scheme Consideration of S\$0.970 for each ALOG Unit by the issue price of S\$0.4924 for each new ESR-REIT Unit.
- (2) Comprises deemed interests held through holding entities
- (3) Refers to Mr. Tong Jinqun and his associates

1.5 Appointment of Independent Financial Adviser

Pursuant to Chapter 9 of the Listing Manual, the ESR-REIT Manager has appointed Rothschild & Co Singapore Limited ("**Rothschild & Co**") as the independent financial adviser (the "**IFA**") to advise the ESR-REIT Manager's Audit, Risk Management and Compliance Committee (the "**ARCC**"), the Directors who are considered independent for the purposes of the Merger as an interested person transaction and interested party transaction, being Ms. Stefanie Yuen Thio, Mr. Ooi Eng Peng, Mr. Khor Un-Hun, Dr. Leong Horn Kee, Mr. Ronald Lim Cheng Aun, Mr. Wilson Ang Poh Seong and Mr. Adrian Chui Wai Yin (the "**ESR-REIT Recommending Directors**"), and the ESR-REIT Trustee (together with the ESR-REIT Recommending Directors, the "**Addressees**"), as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders (the "**Opinion**").

This Letter sets out, *inter alia*, our Opinion thereon and has been prepared for inclusion in the Circular dated 25 February 2022 and issued to ESR-REIT Unitholders, in connection with the Merger.

As part of our evaluation with respect to the Merger, we have evaluated whether the gross exchange ratio of 1.970x implied by the Scheme Consideration payable for each ALOG Unit (the “**Gross Exchange Ratio**”) is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders and hence, whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

A summary of the key financial analyses performed by us with respect to the Merger can be found below including our evaluation and advice on the financial terms of the Merger. We would like to highlight that this summary should be read in conjunction with the rest of the Letter. Please refer to Section 12 on pages 24 and 25 of this Letter for more details on the financial analyses performed.

In arriving at our Opinion in respect of the Merger, we have considered, *inter alia*, the following relevant factors below which we considered to be pertinent in our assessment. *Terms below are defined in more detail in Section 12 of this Letter:*

- (a) Historical market performance and trading activity of the ESR-REIT and ALOG units;
- (b) Liquidity analysis of the ESR-REIT and ALOG units;
- (c) Trailing P/NAV multiples of the ESR-REIT and ALOG units over the last 36 months relative to the P/NAV implied by the Merger;
- (d) Trailing Distribution Yields of the ESR-REIT and ALOG units over the last 36 months relative to the Distribution Yields implied by the Merger;
- (e) Trailing Implied NPI Yields of the ESR-REIT and ALOG units over the last 36 months compared to the Implied NPI Yields implied by the Merger;
- (f) Valuation multiples of selected industrial REITs which are broadly comparable with ESR-REIT and ALOG relative to those implied by the Merger;
- (g) Recent selected mergers and amalgamations between REITs listed on the SGX-ST whose businesses are broadly comparable to ESR-REIT and ALOG;
- (h) Recent selected successful privatisation take-over transactions involving companies listed on the SGX-ST; and
- (i) Other relevant considerations in relation to the Merger which may have a significant bearing on our evaluation including the rationale for the Merger and the Scheme Consideration and the *pro forma* financial effects of the Merger (elaborated in Section 12.3 of this Letter).

Taking into account the factors set out herein, and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that **the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.**

2 TERMS OF REFERENCE

Rothschild & Co has been appointed by the ESR-REIT Manager as the IFA, in compliance with Chapter 9 of the Listing Manual, to advise the ARCC, the ESR-REIT Recommending Directors and the ESR-REIT Trustee as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority ESR-REIT Unitholders.

We are not a party to any negotiation in relation to the Merger. We were also not involved in the deliberations leading up to the decision by the ESR-REIT Manager to undertake the Merger. We do not, by this Letter, or otherwise, warrant or make any representation whatsoever in relation to the merits or risks (whether commercial, financial or otherwise) of the Merger, other than to form an opinion as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority Unitholders.

In arriving at our Opinion, we have considered, *inter alia*, factors including the financial terms for the Merger, publicly available information of ESR-REIT and ALOG, comparable industrial REITs in Singapore and Australia and precedent comparable transactions, the rationale for the Merger and other relevant factors but have not taken into account the legal / strategic / commercial risks and/or merits (if any) of or the timing for the Merger contemplated in the Circular including the structuring or inter-conditionality of the resolutions or the validity of any resolution or its feasibility. We were not requested to and have not provided advice concerning the structure, the specific amount of the consideration, or any other aspects of the Merger or provided services other than the delivery of this Letter.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of ESR-REIT. We do not express any view as to the price at which the ESR-REIT Units may trade upon completion of the Merger nor on the future value, financial performance or condition of ESR-REIT after the Merger. It is also not within our terms of reference to compare the merits of the Merger to any alternative transactions that were or may have been available to ESR-REIT. However, we may draw upon the views of the Directors, the ESR-REIT Manager and/or their advisors on such comparison (if any) or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our Opinion as set out in this Letter. In the course of our evaluation, we have held discussions with the Directors and the management of the ESR-REIT Manager ("**Management**") regarding, *inter alia*, their assessment of the rationale for the Merger as well as the existing and future processes or procedures for ESR-REIT in connection with the Enlarged REIT, and have examined and relied to a considerable extent on the information set out in the Circular, publicly available information collated by us including the audited and unaudited financial statements as well as information, representations, opinions, facts and statements including material information or developments pertaining to ESR-REIT and ALOG where applicable (both written and verbal), provided to us by the Directors, Management and professional advisers of the ESR-REIT Manager, including its consultants or advisers or solicitors or auditors. We have not independently verified such information but have made such reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept or assume any responsibility for, the accuracy or completeness or reliability or adequacy of such information or the manner it has been classified or presented or the basis of any valuations.

We are not, and do not hold ourselves to be, legal, regulatory or tax experts. We are the independent financial advisers only and have relied on, without independent verification, the assessments made by advisers to ESR-REIT with respect to such issues. In addition, we have assumed that the Merger will be consummated in accordance with the terms set forth in the Circular without any waiver, amendment or delay of any terms or conditions and that no conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Merger. We have further assumed, *inter alia*, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Merger have been or will be obtained and that no delays, limitations, conditions or restrictions will be imposed that would have any material adverse effect on ESR-REIT or on the contemplated benefits of the Merger.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of ESR-REIT, ALOG, or the Merger.

We have relied upon the accuracy and completeness of all information given to us and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or impliedly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

We have relied upon the assurances of the Directors to us that the Directors (including those who may have delegated detailed supervision of the Circular) collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Merger and the ESR-REIT Group (as defined below), and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including, ALOG and/or the ALOG Manager), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reflected and reproduced in the Circular in its proper form and context. The foregoing is as set out in the "Directors' Responsibility Statement" in paragraph 24 of the Letter to ESR-REIT Unitholders as set out in the Circular (the "**Letter to ESR-REIT Unitholders**").

The Addressees (as appropriate) have been separately advised by their own advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (except for this Letter).

We are acting as IFA to the Addressees and will receive a fee for our services in connection with the issuance of this Letter. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. We or our affiliates may also seek to provide services to ESR-REIT and parties acting in concert with ESR-REIT in the future and expect to receive fees for rendering such services.

The issuance of this Letter has been approved by a committee of Rothschild & Co in accordance with our customary practice. This Letter is provided as required under Listing Rule 921(4) as well as to the Addressees for their use and benefit for the purpose of their consideration of the Merger. Our Opinion in relation to the Merger should be considered in the context of the entirety of this Letter and the Circular. Whilst a copy of this Letter and parts thereof may be reproduced in the Circular, no person (including, but not limited to ESR-REIT, its unitholders and the Addressees) may reproduce, disseminate, refer to, or quote this Letter (or any part thereof) for any purposes other than in relation to the Merger, except with our prior written approval. The statements and/or recommendations made by the Addressees shall remain the responsibility of the Addressees.

Our Opinion in this Letter is based upon market, economic, industry, monetary and other conditions prevailing on, and the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Except where required under the Code or directed by the SIC, we assume no responsibility to update, revise or reaffirm our Opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our Opinion, factors or assumptions contained herein. ESR-REIT Unitholders should take note of any announcements relevant to their consideration of the Merger which may be released by ESR-REIT and other sources after the Latest Practicable Date.

In rendering our Opinion, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual ESR-REIT Unitholder. As each ESR-REIT Unitholder would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that the ESR-REIT Unitholders read the Circular carefully and that any individual ESR-REIT Unitholder who may require specific advice in the context of his specific investment objectives or portfolio to consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

3 INFORMATION ON ESR-REIT AND THE ESR-REIT MANAGER

3.1 ESR-REIT

ESR-REIT is a Singapore-based real estate investment trust ("**REIT**") listed on the Main Board of the SGX-ST. The principal activity of ESR-REIT is to invest in quality income-producing industrial properties. ESR-REIT has a diversified portfolio which includes 56 properties located across Singapore, close to major transportation hubs and key industrial zones island-wide, with a total gross floor area ("**GFA**") of approximately 15.3 million square feet, and total assets of S\$3.2 billion¹ as at 31 December 2021. The properties are in the following business sectors: Business Park, High-Spec Industrial, Logistics/Warehouse and General Industrial. ESR-REIT has a diversified tenant base of 360 tenants (as at 30 June 2021). ESR-REIT also holds a 10.0% interest in ESR Australia Logistics Partnership ("**EALP**"), a private fund comprising 36 predominantly freehold logistics properties all located in Australia. The other unitholders of EALP are (a) One Funds Management Limited, in its capacity as trustee of ESR Queensland Hold Trust (10%), a wholly-owned subsidiary of the Sponsor; and (b) GIC (Realty) Private Limited, through its wholly-owned subsidiary (80%).

¹ Based on reported total assets as at 31 December 2021 in the ESR-REIT FY2021 Financial Statements.

As at the Latest Practicable Date, ESR-REIT has in issue an aggregate of 4,035,006,891 ESR-REIT Units.

Based on (i) the audited consolidated financial statements of ESR-REIT and its subsidiaries (the “**ESR-REIT Group**”) for the financial year ended 31 December 2020 (“**FY2020**”) (the “**ESR-REIT FY2020 Financial Statements**”), (ii) the unaudited financial highlights of the ESR-REIT Group for the third quarter and nine (9) months ended 30 September 2021 (“**9M2021**”) announced by the ESR-REIT Manager on 27 October 2021 (the “**ESR-REIT 3Q2021 Financial Highlights**”) and (iii) the unaudited consolidated financial statements of the ESR-REIT Group for the full year ended 31 December 2021 (“**FY2021**”) announced by the ESR-REIT Manager on 27 January 2022 (the “**ESR-REIT FY2021 Financial Statements**”), certain key financial information with respect to the ESR-REIT Group is set out as follows:

ESR-REIT Group	As at 31 December 2020 / FY2020	As at 30 September 2021 / 9M2021	As at 31 December 2021 / FY2021
Total assets (S\$'000)	3,187,393	3,393,357	3,329,765
Net asset value (“ NAV ”) attributable to ESR-REIT Unitholders (S\$'000)	1,446,990	1,594,954	1,597,968
NAV per ESR-REIT Unit (S\$)	0.405	0.398	0.396
Distribution for the relevant financial period (S\$'000)	99,127	85,330	114,393
Distribution per unit (“ DPU ”) for the relevant financial periods (cents)	2.800	2.266	2.987

3.2 The ESR-REIT Manager

The ESR-REIT Manager was incorporated in Singapore on 14 September 2005 and currently holds a capital markets services licence (“**CMS Licence**”) for REIT management pursuant to the Securities and Futures Act 2001 of Singapore (“**SFA**”). ESR-REIT is managed by the ESR-REIT Manager, whose objective is to provide ESR-REIT Unitholders with a stable and secure income stream through the successful implementation of the following strategies: (a) acquisition of value-enhancing properties, (b) proactive asset management, (c) divestment of non-core properties and (d) prudent capital and risk management.

As at the Latest Practicable Date:

- a) the shareholders of the ESR-REIT Manager are:
 - i. ESR Investment Management Pte. Ltd. (“**ESRIM**”) (67.3%);
 - ii. Mitsui & Co. Ltd (“**Mitsui**”) (7.7%); and
 - iii. Shanghai Summit Pte. Ltd. (“**SSPL**”) (25.0%);
- b) the directors of the ESR-REIT Manager are:
 - i. Ms. Stefanie Yuen Thio (Independent Chairperson);

- ii. Mr. Ooi Eng Peng (Non-Executive Director, Deputy Chairman);
- iii. Mr. Khor Un-Hun (Independent Non-Executive Director);
- iv. Dr. Leong Horn Kee (Independent Non-Executive Director);
- v. Mr. Ronald Lim (Independent Non-Executive Director);
- vi. Mr. Wilson Ang (Non-Executive Director);
- vii. Mr. Philip Pearce (Non-Executive Director);
- viii. Mr. Jeffrey Perlman (Non-Executive Director);
- ix. Mr. Tong Jinquan (Non-Executive Director); and
- x. Mr. Adrian Chui (Chief Executive Officer and Executive Director).

4 INFORMATION ON ALOG AND THE ALOG MANAGER

4.1 ARA LOGOS Logistics Trust

ALOG is a REIT that is listed on the Main Board of the SGX-ST, which invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in the Asia-Pacific region. As at the Latest Practicable Date, ALOG's portfolio includes 30 (comprising nine (9) in Singapore and 21 in Australia, including the Heron Property acquired on 11 January 2022) high-quality logistics warehouse properties strategically located in clusters in Singapore and Australia with a total GFA of approximately one (1) million square metres as at 31 December 2021. ALOG also owns a 49.5% stake in the New LAIVS Trust and a 40.0% stake in the Oxford Property Fund as at Latest Practicable Date. The New LAIVS Trust has a portfolio of four (4) logistics properties in Australia and the Oxford Property Fund holds one (1) logistics property in Australia.

The remaining 50.5% interest in the New LAIVS Trust is indirectly held by Ivanhoe Cambridge Inc. and the remaining interest in the Oxford Property Fund is held by Ivanhoe Cambridge Inc. (54.6%) and by another entity within the LOGOS Group (5.4%). Ivanhoe Cambridge Inc., through its wholly-owned subsidiary, Ivanhoe Cambridge Asia Inc. (formerly known as Ivanhoe Cambridge China Inc.) ("**Ivanhoe Cambridge Asia**"), is a substantial unitholder of ALOG and the LOGOS Group is the sponsor of ALOG.

As at the Latest Practicable Date, ALOG has in issue an aggregate of 1,452,870,872 ALOG Units.

Based on (a) the audited consolidated financial statements of ALOG and its subsidiaries (the "**ALOG Group**") for the financial year ended FY2020 (the "**ALOG FY2020 Financial Statements**"), (b) the unaudited financial highlights of the ALOG Group for the third quarter and nine (9) months ended 30 September 2021 announced by the ALOG Manager on 26 October 2021 ("**ALOG 3Q2021 Financial Highlights**") and (c) the unaudited consolidated financial statements of the ALOG Group for FY2021 announced by the ALOG Manager on 25 January 2022 (the "**ALOG FY2021 Financial Statements**"), certain key financial information with respect to the ALOG Group is set out in the table below. The ALOG FY2021 Financial Statements and the ALOG 3Q2021 Financial Highlights are set out in Appendix H and Appendix I to the Scheme Document, respectively.

ALOG Group	As at 31 December 2020 / FY2020	As at 30 September 2021 / 9M2021	As at 31 December 2021 / FY2021
Total assets (S\$'000)	1,412,466	2,042,888	2,111,637
NAV attributable to ALOG Unitholders (S\$'000)	678,545	983,906	977,223
NAV per ALOG Unit (S\$)	0.57	0.68	0.67
Distribution (S\$'000)	58,828	53,883	70,373
DPU (cents)	5.250	3.899	5.034

4.2 The ALOG Manager

ALOG is managed by the ALOG Manager, which was incorporated in Singapore on 15 October 2009 and currently holds a CMS Licence for REIT management pursuant to the SFA.

As at the Latest Practicable Date:

- a) the ESR Group owns 86.4%² of the ALOG Manager. On 4 August 2021, ESR Cayman Limited (the "**Sponsor**") and the Sponsor and its subsidiaries, the "**ESR Group**") announced (the "**ARA Acquisition Announcement**") that it entered into an acquisition agreement with, among others, ARA Asset Management Limited ("**ARA**") in relation to the proposed acquisition (the "**Proposed ARA Acquisition**") of 100% of the issued share capital and voting power in ARA. The Proposed ARA Acquisition was completed on 20 January 2022. The ALOG Manager is indirectly wholly-owned by the LOGOS Group³ which is 86.4% owned by the ESR Group on completion of the Proposed ARA Acquisition. LOGOS Property Group Limited is the sponsor of ALOG. Please refer to paragraph 2.2(c) of the Letter to ALOG Unitholders in the Scheme Document for further details of the Proposed ARA Acquisition.

² As stated in the ARA Acquisition Announcement, the Sponsor plans to acquire the remaining interest in the LOGOS Group, which wholly owns the ALOG Manager, three (3) years after completion of the Proposed ARA Acquisition

³ "LOGOS Group" refers to the LOGOS Property Group Limited group of companies.

- b) the directors of the ALOG Manager are:
- i. Mr. Lim How Teck (Chairman and Non-Executive Director);
 - ii. Mr. Lim Lee Meng (Lead Independent Non-Executive Director and Chairman of the Audit Committee);
 - iii. Mr. Lim Kong Puay (Independent Non-Executive Director);
 - iv. Mr. Oh Eng Lock (Independent Non-Executive Director);
 - v. Mr. Stephen George Hawkins (Non-Executive Director); and
 - vi. Ms. Low Poh Choo (Non-Executive Director).

As at the Latest Practicable Date, LOGOS Units No. 1 Ltd (“**LOGOS Units**”), an indirect subsidiary of ARA, is the largest ALOG Unitholder holding a direct interest in 179,867,674 ALOG Units representing approximately 12.38% of the total number of ALOG Units.

5 THE MERGER AND THE SCHEME

5.1 Implementation Agreement

Commercial discussions between the ESR-REIT Manager and the ALOG Manager on the feasibility of the Merger only commenced after the Sponsor's announcement on 4 August 2021 in relation to the Proposed ARA Acquisition. The ESR-REIT Manager brought onboard legal and financial advisers to evaluate the strategic and financial merits of the Merger, including the potential conflicts of interest due to overlapping mandates and the downside risks if the Proposed ARA Acquisition was completed, and the timing of the proposed Merger. An initial set of terms of the Merger was thoroughly evaluated at a meeting of the board of directors of the ESR-REIT Manager and approved by the ESR-REIT Recommending Directors. In this regard, Mr. Jeffrey Perlman, Mr. Philip Pearce and Mr. Tong Jinquan abstained from participating in the decision-making process of the board of the ESR-REIT Manager in respect of the Merger as (a) Mr. Jeffrey Perlman is the chairman and a director of the Sponsor; (b) Mr. Philip Pearce is the chief executive officer of ESR Real Estate (Australia) Pty Ltd, a wholly-owned subsidiary of the Sponsor, as well as a director of certain entities within the ESR Group; and (c) Mr. Tong Jinquan holds (together with his associates) a controlling interest in the ESR-REIT Manager as well as a controlling interest in ESR-REIT Units.

Thereafter, the terms of the Merger were proposed to the ALOG Manager via a non-binding offer letter. The ALOG Manager also brought onboard advisers to evaluate the strategic and financial merits of the proposed Merger.

The ESR-REIT Manager would like to highlight that both prior to and after the announcement of the Proposed ARA Acquisition, as well as at all times during the negotiations between the ESR-REIT Manager and the ALOG Manager in respect of the Merger, and up to the Latest Practicable Date:

- (i) a majority of the boards of directors of both the ESR-REIT Manager and the ALOG Manager has been comprised of directors who are independent of the Sponsor and ARA;
- (ii) all of the ESR-REIT Recommending Directors and the ALOG Independent Directors are independent of the Sponsor and ARA; and
- (iii) there has been no overlap of management teams between the ESR-REIT Manager and the ALOG Manager, and the management teams of both the ESR-REIT Manager and the ALOG Manager have remained the same.

In addition, information barriers are in place between the ESR-REIT Manager and the ALOG Manager to ensure that any information relating to ESR-REIT's business strategy or operations is not shared with ALOG (and vice versa), save for the limited exchange of information between the ESR-REIT Manager and the ALOG Manager for the sole purpose of conducting due diligence and to evaluate and implement the Merger.

There were negotiations between the ESR-REIT Manager and the ALOG Manager before an in-principle agreement on the original Scheme Consideration of S\$0.95 per ALOG Unit was reached, and such discussions in relation to the Merger were conducted by the Chief Executive Officer ("**CEO**") and the management team of the ESR-REIT Manager within the mandate given and approved by the ESR-REIT Recommending Directors. This was followed by due diligence and other professional parties such as tax advisers, auditors and valuers were also brought onboard in September 2021 to commence legal and property due diligence on ALOG (and vice versa). Upon completion of satisfactory due diligence by both parties and the approval from the ESR-REIT Recommending Directors, the ESR-REIT Manager, the ESR-REIT Trustee, the ALOG Manager and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of ALOG) (the "**ALOG Trustee**") (each, a "**Party**" and collectively the "**Parties**") entered into an implementation agreement (the "**Implementation Agreement**") on 15 October 2021 setting out the terms and conditions on which the Parties will implement the Scheme.

In connection with the Revision, on 22 January 2022, the Parties entered into a supplemental letter amending and restating the Implementation Agreement setting out the amended terms on which the Scheme will be implemented.

Please refer to the Joint Announcement and the Revised Joint Announcement for more information on the terms of the amended and restated Implementation Agreement.

5.2 Scheme Consideration

On 15 October 2021, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Joint Announcement (as defined herein) in relation to the Merger and the Scheme. As stated in the Joint Announcement, the original Scheme Consideration payable pursuant to the Merger and the Scheme was S\$0.950 for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date (as defined herein), which would be satisfied by the payment of a sum of S\$0.095 in cash and the allotment and issuance of 1.6765 new ESR-REIT Units at an issue price of S\$0.510 for each new ESR-REIT Unit.

On 22 January 2022, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Revised Joint Announcement in relation to, *inter alia*, the revision of the Scheme Consideration payable to the ALOG Unitholders pursuant to the Merger and the Scheme (the “**Revision**”).

Pursuant to the Implementation Agreement, each of the ESR-REIT Trustee and the ESR-REIT Manager will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.970 (the “**Scheme Consideration**”) for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date, which shall be satisfied by:

- a) firstly, the payment of a sum of S\$0.097 in cash (the “**Cash Consideration**”). The aggregate Cash Consideration to be paid to each ALOG Unitholder shall be rounded to the nearest S\$0.01; and
- b) secondly, the allotment and issuance of 1.7729 Consideration Units at an issue price of S\$0.4924 for each Consideration Unit, such Consideration Units to be credited as fully paid. The issue price of S\$0.4924 for each Consideration Unit represents (i) a premium of 5.9% over the closing price of the ESR-REIT Units of S\$0.465 as at 14 October 2021, being the last full trading day prior to the Joint Announcement Date (as defined herein); and (ii) a premium of 4.8% over the closing price of the ESR-REIT Units of S\$0.470 as at 21 January 2022, being the last full trading day prior to the Revised Joint Announcement Date (as defined herein).

Based on the issue price of S\$0.4924 for each Consideration Unit, the value of the Scheme Consideration is S\$0.970 and implies a gross exchange ratio of 1.970x.

No fractions of a Consideration Unit shall be allotted and issued to any ALOG Unitholder and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be allotted and issued to any ALOG Unitholder pursuant to the Scheme.

By way of illustration, if the Scheme becomes effective in accordance with its terms:

- (i) **an ALOG Unitholder who holds 1,000 ALOG Units as at the Books Closure Date will receive S\$97.00 in cash and 1,772 Consideration Units; and**
- (ii) **an ALOG Unitholder who holds 100 ALOG Units held by it as at the Books Closure Date will receive S\$9.70 in cash and 177 Consideration Units.**

The Consideration Units shall:

- (A) when issued, be duly authorised, validly issued and credited as fully paid-up and shall rank *pari passu* in all respects with the existing ESR-REIT Units as at the date of their issue (and not as at the Joint Announcement Date or the date of the Revised Joint Announcement)⁴; and
- (B) be issued free from all and any Encumbrances and restrictions or transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

⁴ For the avoidance of doubt, the Consideration Units shall be issued with all rights, benefits and entitlements attaching on and from the date of their issue (and not as at the Joint Announcement Date or the date of the Revised Joint Announcement), including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the ESR-REIT Manager on or after the date of their issue.

As ALOG Unitholders may receive odd lots of ESR-REIT Units as part of the consideration for their ALOG Units pursuant to the Scheme, the ALOG Manager will facilitate the trading of odd lots so that ALOG Unitholders who wish to round up or down their unitholding to the nearest board lot size of ESR-REIT Units (i.e. in multiples of 100 ESR-REIT Units) can do so. Please refer to paragraph 3 of Appendix A to the Scheme Document for further details of the arrangements implemented by the ALOG Manager for the trading of odd lots of ESR-REIT Units.

Based on the issue price of S\$0.4924 for each Consideration Unit, the value of the Scheme Consideration is S\$0.970 and implies a gross exchange ratio of 1.970x. A comparison of the revised Scheme Comparison and the original Scheme Consideration is outlined below:

- (i) the Cash Consideration has been raised by 2.1% from S\$0.095 per ALOG Unit to S\$0.097 per ALOG Unit;
- (ii) the number of Consideration Units to be allotted and issued to each ALOG Unitholder has increased by 5.8% from 1.6765 new ESR-REIT Units to 1.7729 new ESR-REIT Units; and
- (iii) the gross exchange ratio (derived from the Scheme Consideration divided by the issue price of each Consideration Unit) has increased by 5.8% from 1.863x to 1.970x
- (iv) the unitholding dilution to ESR-REIT Unitholders has increased by 1.3% from 38.0%⁵ based on the original Scheme Consideration to 39.3%⁶ based on the revised Scheme Consideration.

	Scheme Consideration per ALOG Unit	Aggregate Scheme Consideration	Implied Gross Exchange Ratio	Financial Metrics
Original Scheme Consideration	S\$0.950 (90% of ESR-REIT Units issued at S\$0.510 and 10% cash)	S\$1.4 billion	1.863x	DPU Accretion: 5.8% Gearing: 42.1%
Revised Scheme Consideration	S\$0.970 (90% of ESR-REIT Units issued at S\$0.4924 and 10% cash)	S\$1.4 billion	1.970x	DPU Accretion: 4.7% ⁽¹⁾ Gearing: 42.1%

Notes:

- (1) Please refer to Appendix D of this Circular for further details on the pro forma assumptions.

⁵ Based on approximately 6,496.6 million ESR-LOGOS REIT units.

⁶ Based on approximately 6,637.9 million ESR-LOGOS REIT units.

The revised Scheme Consideration of S\$0.970 per ALOG Unit was determined based on extensive commercial negotiations between the ESR-REIT Manager and the ALOG Manager. Factors taken into account in arriving at the revised Scheme Consideration by determining the exchange ratio include (without limitation):

- (1) strong conviction that the Merger is the best way forward for both ALOG and ESR-REIT to address the potential conflicts of interest and enjoy the merits of the Merger as it would combine two (2) best-in-class platforms to form a leading New Economy APAC S-REIT supported by the ESR Group's resources;
- (2) recent selected mergers between REITs listed on the SGX-ST whose businesses are broadly comparable to ESR-REIT and ALOG;
- (3) valuation multiples of selected Singapore and Australia-listed industrial REITs which are broadly comparable with ESR-REIT and ALOG relative to those implied by the Merger;
- (4) the historical relative trading prices and metrics of ALOG Units and ESR-REIT Units which include price to net asset value, distribution yields and net property income yields;
- (5) balancing the respective financial impact to ALOG Unitholders and ESR-REIT Unitholders from a DPU and NAV per unit accretion and dilution perspective on a pro forma FY2020 basis;
- (6) the commercial rationale of the Merger (as set out in the Joint Announcement, the Scheme Document and paragraph 5 of the Revised Acquisition Announcement);
- (7) the quality of ALOG's portfolio and the continued robustness and strong demand of the overall Australian market, in particular in the logistics sector, which continues to see strong demand growth and capitalisation rate compression;
- (8) the gearing of the combined REIT post-Merger; and
- (9) other factors previously set out in the Joint Announcement, the Revised Joint Announcement and the Scheme Document.

The Scheme Consideration was based on, amongst other factors, (a) the issue price of S\$0.4924, by assessing the trading price range over the last six (6) months up to 14 October 2021 and brokers' / investment research houses' average target price consensus; and (b) the gross exchange ratio of 1.970x, taking into account, inter alia, the respective one (1)-day, one (1)-month, three (3)-month and six (6) month VWAP of the ESR-REIT Units and the ALOG Units as of 14 October 2021. The ESR-REIT Manager is of the view that with the completion of the rebranding of Cache Logistics Trust to "ARA LOGOS Logistics Trust" in April 2020, as well as the completion of the injection of the Australian assets of the LOGOS Group into ALOG in 1H2021, it would be more relevant to only compare the VWAPs of both REITs over the last six (6) months prior to the Joint Announcement Date.

We note that the ESR-REIT Manager has set out the factors which were taken into consideration by the ESR-REIT Manager for the purpose of deriving the revised Scheme Consideration in paragraph 4.3 of the Circular. ESR-REIT Unitholders are advised to read such paragraph of the Letter to ESR-REIT Unitholders carefully.

5.3 Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement:

- (a) the ALOG Manager is permitted to announce, declare, pay or make distributions to the ALOG Unitholders (the "**ALOG Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (as defined below) (including any clean-up distribution to the ALOG Unitholders in respect of the period from the day following the latest completed financial quarter of ALOG preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income); and
- (b) the ESR-REIT Manager is permitted to announce, declare, pay or make distributions to the ESR-REIT Unitholders (the "**ESR-REIT Permitted Distributions**") in the ordinary course of business, in respect of the period from 1 July 2021 up to the day immediately before the Effective Date (including any clean-up distribution to the ESR-REIT Unitholders in respect of the period from the day following the latest completed financial quarter of ESR-REIT preceding the Effective Date for which a distribution has been made, up to the day immediately before the Effective Date, but after deducting all related costs and expenses in connection with the Merger and the Scheme to the extent that such costs and expenses are deductible against the tax transparent income).

For the avoidance of doubt:

- (i) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall include any distributions declared, paid or made by the ALOG Manager or the ESR-REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of any undistributed profits from overseas operations, tenant incentives compensation from any vendors, and any rental guarantee; and
- (ii) the ALOG Permitted Distributions and the ESR-REIT Permitted Distributions shall not include distributions declared, paid or made by the ALOG Manager or the ESR-REIT Manager to the ALOG Unitholders or the ESR-REIT Unitholders respectively in respect of (A) proceeds received in connection with the sale of any of the ALOG Real Properties or ESR-REIT Real Properties⁷ (as the case may be); and/or (B) gains arising from disposals of investment properties prior to the date of the Implementation Agreement and which have not been distributed to the ALOG Unitholders or the ESR-REIT Unitholders (as the case may be) prior to the date of the Implementation Agreement.

⁷ "ESR-REIT Real Properties" means collectively the properties listed in the investment properties portfolio statement set out on pages 23 to 30 of the ESR-REIT 1H2021 Financial Statements and the property in Singapore in which PTC Logistics Hub LLP holds a 100.0% interest, namely 48 Pandan Road, Singapore 609289 (but excluding, upon the completion of the sale of certain excluded properties agreed by the Parties (to the extent such completion occurs between the date of the Implementation Agreement and the completion of the Merger), such excluded properties).

The Parties shall be entitled to announce, declare, pay or make the ALOG Permitted Distributions and ESR-REIT Permitted Distributions (as the case may be) without any adjustment to the Scheme Consideration.

The ALOG Unitholders shall have the right to receive and retain the ALOG Permitted Distributions in addition to the Scheme Consideration.

The ESR-REIT Manager reserves the right to adjust the Scheme Consideration by reducing the cash component of the Scheme Consideration, the unit component of the Scheme Consideration or by any combination of such cash and unit components of the Scheme Consideration, if and to the extent that any distribution in excess of the ALOG Permitted Distributions is announced, declared, paid or made by the ALOG Manager on or after the date of the Implementation Agreement.

5.4 Scheme Conditions

The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of certain conditions precedent which are set out in the Amended and Revised Implementation Agreement and reproduced in **Appendix B** to the Circular (the "**Scheme Conditions**")

The status of each condition precedent as at the Latest Practicable Date is also set out in Appendix B to the Circular.

The Scheme will become effective on the date of the written notification to the Monetary Authority of Singapore ("**MAS**") of the grant of the order of the Court sanctioning the Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore (the "**Scheme Court Order**"), which shall be effected by or on behalf of the ESR-REIT Manager on a date to be mutually agreed in writing between the ESR-REIT Manager and the ALOG Manager, being a date within 25 Business Days from the date on which the last of the Scheme Conditions set out in paragraphs (a), (b), (c), (d), (e) and (k) of Appendix B to the Circular is satisfied in accordance with the terms of the Implementation Agreement (the "Effective Date"), provided that the rest of the Scheme Conditions are satisfied or waived on the date falling on the Business Day immediately preceding the Effective Date (the "**Record Date**"), as the case may be, in accordance with the terms of the Implementation Agreement.

5.5 Termination

The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time on or prior to the Record Date (subject to prior consultation with the SIC, and the SIC giving its approval for, or stating that it has no objection to, such termination), in certain circumstances specified in the Implementation Agreement.

5.6 ESR-REIT Manager's Future Intentions for ESR-LOGOS REIT

Assuming the completion of the Merger:

- (a) the enlarged ESR-REIT will be renamed as "ESR-LOGOS REIT";
- (b) the ESR-REIT Manager will be the manager of ESR-LOGOS REIT after completion of the Merger and Mr. Adrian Chui will continue to be the CEO of the ESR-REIT Manager, while Ms. Karen Lee⁸ will join the ESR-REIT Manager as the Deputy CEO. The Nominating and Remuneration Committee of the ESR-REIT Manager will also review the composition of the board of directors of the ESR-REIT Manager as may be appropriate to align with ESR-LOGOS REIT's future strategic direction, focus and corporate governance best practices. Such corporate governance practices include, amongst others, compliance with SFA regulations and the MAS guidelines relating to the independence of the directors on the board of the manager and the duty of the manager to take all necessary steps to avoid conflicts of interest and to act in the best interests of unitholders;
- (c) it is intended that ALOG's existing outstanding loan facilities and related interest rate swaps of an aggregate amount of approximately S\$761.2 million will be fully refinanced;
- (d) post-Merger, ESR-LOGOS REIT will target to sell down a portfolio of non-core assets over the subsequent 18 to 24 months to further create a flagship new economy REIT; and
- (e) as ALOG will become a sub-trust of ESR-REIT upon completion of the Merger, the fee structure applicable to the manager of ESR-LOGOS REIT will be the fee structure which is currently applicable to the ESR-REIT Manager under the ESR-REIT Trust Deed. Please refer to Appendix C to the Scheme Document for further details with respect to the fees payable to the ESR-REIT Manager.

6 CHAPTER 10 OF THE LISTING MANUAL

Pursuant to Rule 1014(1) of the Listing Manual, where an acquisition of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20% but not 100%, the transaction is classified as a "major transaction" under Chapter 10 of the Listing Manual.

As shown in paragraph 10.1 of the Letter to ESR-REIT Unitholders, as the relative figures of the Merger on the bases set out in Rules 1006(b), 1006(c) and 1006(d) exceed 20% but not 100%, the Merger is considered a "major transaction" under Chapter 10 of the Listing Manual. Accordingly, the approval of the ESR-REIT Unitholders is required in respect of the Merger and included as a Scheme Condition.

Paragraph 10.1 of the Letter to ESR-REIT Unitholders sets out the relative figures of the Merger computed on the bases set out in Rules 1006(b) to (d) of the Listing Manual. The figures are based on ESR-REIT's and ALOG's unaudited consolidated financial statements for 1H2021 (being the latest announced financial statements of ESR-REIT and ALOG as at the Joint Announcement Date). ESR-REIT Unitholders are advised to read such paragraph of the Letter to ESR-REIT Unitholders carefully.

⁸ Ms. Karen Lee is currently the CEO of the ALOG Manager.

7 TOTAL ACQUISITION COST AND SOURCE OF FUNDS FOR THE MERGER

The total cost of the Merger is estimated to be approximately S\$2,408.5 million comprising:

- (a) the aggregate Scheme Consideration of approximately S\$1,409.3 million, based on the Scheme Consideration of S\$0.970 for each ALOG Unit and an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date;
- (b) estimated upfront land premium payable to JTC Corporation (“**JTC**”) of approximately S\$87.9 million;
- (c) the acquisition fee payable to the ESR-REIT Manager for the Merger (the “**Acquisition Fee**”) which is estimated to be approximately S\$15.6 million, based on the Scheme Consideration;
- (d) the refinancing of ALOG’s total borrowings and related interest rate swaps and derivative liabilities of an aggregate amount of approximately S\$761.2 million;
- (e) the redemption of ALOG’s perpetual securities of S\$101.5 million; and
- (f) the estimated professional and other costs, fees and expenses (including taxes) of approximately S\$32.9 million incurred in connection with the Scheme.

For the avoidance of doubt, the completion of the Merger is not conditional upon the completion of the redemption of ALOG’s perpetual securities of S\$101.5 million.

As the Merger constitutes an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee is payable in ESR-REIT Units⁹ to the ESR-REIT Manager for the Merger, and shall not be sold within one (1) year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

The Scheme Consideration of S\$0.970 per ALOG Unit will be satisfied through the payment of an aggregate cash amount of approximately S\$140.9 million and the allotment and issue of Consideration Units (estimated to be approximately 2,575.9 million Consideration Units based on an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date) at an issue price of S\$0.4924 for each Consideration Unit, to the ALOG Unitholders.

The Consideration Units will be issued and credited as fully paid to the ALOG Unitholders upon the Scheme becoming effective in accordance with its terms. The issue of the Consideration Units at the issue price of S\$0.4924 for each Consideration Unit requires approval of the ESR-REIT Unitholders by way of an Ordinary Resolution.

In connection with the Merger and the Scheme, the ESR-REIT Trustee has entered into a commitment letter dated 11 October 2021 with DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch and Sumitomo Mitsui Banking Corporation Singapore Branch as Mandated Lead Arrangers and Bookrunners¹⁰ for the grant of new unsecured banking facilities of an aggregate of up to S\$835 million and A\$365 million (the “**New Facilities**”). The proceeds of the New Facilities will be applied towards the following purposes:

⁹ Pursuant to the Merger, approximately 31.7 million ESR-REIT Units will be allotted and issued to the ESR-REIT Manager in payment of the Acquisition Fee based on the Scheme Consideration

¹⁰ ESR-REIT may also issue new perpetual securities to finance the Merger

- (a) the financing of the Cash Consideration of the Scheme;
- (b) the refinancing in full of the indebtedness under existing loan facilities granted to the ALOG Trustee;
- (c) the payment of costs, fees and expenses (including taxes) incurred in connection with the Scheme; and
- (d) general working capital purposes for ESR-REIT.

Based on the estimated total cost of the Merger of approximately S\$2,408 million as at the Latest Practicable Date, the aggregate amount of the New Facilities that is expected to be applied towards funding part of the total cost of the Merger is approximately S\$873.0 million.

8 THE MERGER AS AN INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

8.1 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where an issuer proposes to enter into a transaction with an interested person 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 (as defined in Chapter 9 of the Listing Manual) during the same financial year) is equal to or exceeds 5.0% of the listed group's latest audited NTA, unitholders' approval is required in respect of the transaction. Further, under Paragraph 5 of the Property Funds Appendix, a property fund is also required to make an immediate announcement and obtain a majority vote at a participants' meeting, if the value of the transaction with an interested party is equal to or exceeds 5.0% of its NAV.

Based on ESR-REIT's latest audited consolidated financial statements for FY2020, its NAV and NTA as at 31 December 2020 was approximately S\$1,447.0 million. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by ESR-REIT 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\$72.4 million, such a transaction would be subject to the approval of the ESR-REIT Unitholders.

8.2 The Sponsor

The Sponsor, through its wholly-owned subsidiaries, holds approximately 67.3% of the shares in the ESR-REIT Manager, and is therefore a "controlling shareholder" of the ESR-REIT Manager under both the Listing Manual and the Property Funds Appendix. Following the completion of the Proposed ARA Acquisition on 20 January 2022, ARA is now wholly-owned by the Sponsor and accordingly, ARA and its subsidiaries (including LOGOS Units) are "associates" of the Sponsor under both the Listing Manual and the Property Funds Appendix. As such, each of them is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of ESR-REIT.

As mentioned in paragraph 4.2 above, LOGOS Units is the holder of 179,867,674 ALOG Units, representing approximately 12.38% of the total number of ALOG Units. Accordingly, the acquisition of ALOG Units from LOGOS Units pursuant to the Merger constitutes an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

The total amount at risk to ESR-REIT is the aggregate Scheme Consideration of approximately S\$1,409.3 million, based on the Scheme Consideration of S\$0.970 for each ALOG Unit and an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date. Pursuant to the Merger, LOGOS Units will be entitled to receive from ESR-REIT approximately S\$174.5 million to be satisfied partly in cash and partly in the form of new ESR-REIT Units, as consideration for the acquisition of the ALOG Units held by LOGOS Units. The aggregate Scheme Consideration represents approximately 97.4% of the latest audited NTA and NAV of ESR-REIT. Of this 97.4%, the Scheme Consideration payable by ESR-REIT to LOGOS Units represents approximately 12.1% of the latest audited NAV and NTA of ESR-REIT. As mentioned in paragraph 9 above, the ESR-REIT Manager will also receive an Acquisition Fee payable in ESR-REIT Units pursuant to the Merger, estimated to be approximately S\$15.6 million based on the Scheme Consideration

Accordingly, the Merger will require the approval of the ESR-REIT Unitholders pursuant to Rule 906(1) of the Listing Manual. Pursuant to Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, the Sponsor and its associates will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

In addition, the total value of interested person transactions, excluding transactions which are less than S\$100,000, between ESR-REIT and the Sponsor and its associates entered into during the course FY2021 (being the financial year as at the Joint Announcement Date) which are required to be aggregated with the Merger under the Listing Manual is approximately S\$71.6 million, comprising the acquisition of a 10.0% interest in EALP which was completed on 14 May 2021 and the execution of an office lease at the ESR-REIT Manager's current premises and the total value of interested person transactions, excluding transactions which are less than S\$100,000, between ESR-REIT and all interested persons entered into during the course of FY2021 (being the financial year as at the Joint Announcement Date) is approximately S\$72.0 million.

8.3 Summit Group

Mr. Tong Jinquan is a director of the ESR-REIT Manager, and the Summit Group holds a controlling interest in the ESR-REIT Manager as well as a controlling interest in ESR-REIT Units. Pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, the Summit Group will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM

8.4 Mitsui

Mitsui holds 7.7% of the issued shares of the ESR-REIT Manager. Mitsui is also an ESR-REIT Unitholder. Pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, Mitsui will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

9 ISSUE OF CONSIDERATION UNITS

As consideration for the acquisition of all the ALOG Units pursuant to the Merger and based on an aggregate of 1,452,870,872 ALOG Units in issue as at the Latest Practicable Date, approximately 2,575.9 million Consideration Units are estimated to be allotted and issued to the ALOG Unitholders at an issue price of S\$0.4924 for each Consideration Unit.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in a general meeting for the issue of units unless such issue of units is covered under a general mandate obtained from unitholders of the issuer. Accordingly, the ESR-REIT Manager is seeking the approval of the ESR-REIT Unitholders by way of an Ordinary Resolution of the ESR-REIT Unitholders for the proposed issuance of the Consideration Units at an issue price of S\$0.4924 for each Consideration Unit.

As announced by the ESR-REIT Manager on 18 February 2022, the SGX-ST has also granted its in-principle approval for the listing and quotation of up to 2,607.6 million Consideration Units on the Main Board of the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) approval of the Independent ESR-REIT Unitholders being obtained for the Merger and the issue of the Consideration Units; and
- (c) the approval of the High Court of the Republic of Singapore, or where applicable on appeal, the Appellate Division of the High Court and the Court of Appeal of the Republic of Singapore, for the implementation of the Scheme.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Merger, the Scheme, the Enlarged REIT, the ESR-REIT Units, the Consideration Units, ESR-REIT or its subsidiaries.

10 DIRECTORS' SERVICE CONTRACTS

It is intended that following completion of the Merger, the ESR-REIT Manager will be the manager of ESR-LOGOS REIT after completion of the Merger and Mr. Adrian Chui will continue to be the CEO of the ESR-REIT Manager, while Ms. Karen Lee¹¹ will join the ESR-REIT Manager as the Deputy CEO. The Nominating and Remuneration Committee of the ESR-REIT Manager will also review the composition of the board of directors of the ESR-REIT Manager as may be appropriate to align with ESR-LOGOS REIT's future strategic direction, focus and corporate governance best practices. Such corporate governance practices include, amongst others, compliance with SFA regulations and Monetary Authority of Singapore guidelines relating to the independence of the directors on the board of the manager and the duty of the manager to take all necessary steps to avoid conflicts of interest and to act in the best interests of unitholders.

¹¹ Ms. Karen Lee is currently the CEO of the ALOG Manager.

11 ABSTENTIONS FROM VOTING

11.1 The Sponsor to Abstain from Voting

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval of an interested person transaction, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given. As set out in paragraph 8.2 above, the Sponsor and its associates will abstain from voting (either in person or by proxy) on the resolutions relating to the Merger at the EGM.

11.2 Summit Group to Abstain from Voting

As set out in paragraph 8.3 above, pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, the Summit Group will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

11.3 Mitsui to Abstain from Voting

As set out in paragraph 8.4 above, pursuant to Rule 748(5) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, Mitsui will abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Merger at the EGM.

11.4 ESR-REIT will disregard any votes cast on a resolution by persons required to abstain from voting.

12 FINANCIAL EVALUATION OF THE TERMS OF THE MERGER

As part of our evaluation of whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders, we have evaluated whether the gross exchange ratio of 1.970x implied by the Scheme Consideration payable for each ALOG Unit (inclusive of the Cash Consideration) (the “**Gross Exchange Ratio**”) is on normal commercial terms predicated on whether the ALOG Units and the Consideration Units are fairly valued based on the Scheme Consideration and Consideration Unit Issue Price, respectively.

In reaching our recommendation in respect of the Merger of ESR-REIT and ALOG, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

Table 1. Summary of factors (Assessment of the Consideration Unit Issue Price)

Ref.	Factors	Page ref.
12.1	Overview of the Merger	
12.1.1	The strategic rationale for the Scheme Consideration	29
12.1.2	The strategic rationale for the Merger	31
12.2	Evaluation of the Consideration Unit Issue Price	
12.2.1	Liquidity analysis of the ESR-REIT Units and companies that make up the top 30 constituents of the Straits Times Index (“ STI ”) traded on the Main Board of SGX-ST based on market capitalisation (the “ Market Cap ”, and top 30 constituents of STI being the “ Top 30 STI Companies ”)	33
12.2.2	Historical market performance and trading activity of the ESR-REIT Units	34
12.2.3	Trailing Latest P/NAV multiples of the ESR-REIT Units relative to the Latest P/NAV multiples implied by the Consideration Unit Issue Price	43
12.2.4	Trailing Distribution Yields of the ESR-REIT Units relative to the Distribution Yields implied by the Consideration Unit Issue Price	45
12.2.5	Trailing Implied Net Property Income Yields of the ESR-REIT Units relative to the Implied Net Property Income Yields implied by the Consideration Unit Issue Price	46
12.2.6	Valuation multiples of selected Singapore-listed industrial S-REITs (the “ Selected Comparable Industrial S-REITs ”) relative to those implied by the Consideration Unit Issue Price	48
12.2.7	The premium / (discount) to the closing price as at the last trading date and 6-month and 12-month VWAPs as implied by selected precedent transactions and combinations of SGX-ST listed REITs (“ S-REITs ”) involving scrip as the primary transaction consideration (the “ Precedent Transactions ”) relative to those implied by the Consideration Unit Issue Price	51
12.3	Evaluation of the Scheme Consideration	
12.3.1	Liquidity analysis of the ALOG Units and the Top 30 STI Companies	55
12.3.2	Historical market performance and trading activity of the ALOG Units	56
12.3.3	Trailing latest P/NAV (as defined herewith) multiples of the ALOG Units related to the latest P/NAV multiples implied by the Scheme Consideration	64

Ref.	Factors	Page ref.
12.3.4	Trailing Distribution Yields of the ALOG Units relative to the Distribution Yield implied by the Scheme Consideration	66
12.3.5	Trailing Implied Net Property Income Yields of the ALOG Units relative to the Implied Net Property Income Yields implied by the Scheme Consideration	67
12.3.6	Valuation multiples of the Selected Comparable Industrial S-REITs and selected Australian-listed industrial REITs (" Selected Comparable Industrial A-REITs ") relative to those implied by the Scheme Consideration	69
12.3.7	The premium / (discount) to the prevailing P/NAV as implied by selected precedent transactions and combinations of SGX-ST listed REITs (" S-REITs ") involving scrip as the primary transaction consideration (the " Precedent Transactions ") relative to those implied by the Scheme Consideration; and The premium / (discount) to the 6-month and 12-month VWAPs as implied by the Precedent Transactions relative to those implied by the Scheme Consideration	72
12.3.8	The premium / (discount) implied by selected substantive/change of control acquisitions involving target companies listed on the SGX-ST (" Selected Precedent Privatisation Transactions ")	74
12.4	Other relevant considerations relating to the Merger	
12.4.1	Comparison of the cash component as a percentage of the Scheme Consideration with that of the Precedent Transactions	78
12.4.2	Assurance given by the Auditor on property valuation	79
12.4.3	Historical implied Gross Exchange Ratio between the ALOG Units and ESR-REIT Units	80
12.4.4	The <i>pro forma</i> consolidated financial effects of the Merger	81
12.4.5	Other relevant considerations which have a significant bearing on our assessment, in relation to the Merger being an interested person transaction and interested party transaction	92

These factors are discussed in greater detail in the ensuing sections.

Table 2. Summary analysis of the Consideration Unit Issue Price

Metric	Min ⁽¹⁾	Max ⁽¹⁾	Mean ⁽¹⁾	Median ⁽¹⁾	Merger as at LUTD ⁽²⁾	Min - Max Range ^{(3),(4)}	Mean - Median Range ^{(3),(4)}
Summary analysis of the Consideration Unit Issue Price							
Historical trading range of the ESR-REIT Units							
Closing price (\$\$) - 3-month period up to the LUTD	0.43	0.51	0.46	0.47	0.49	Within	Above
Closing price (\$\$) - 6-month period up to the LUTD	0.38	0.51	0.43	0.44	0.49	Within	Above
Closing price (\$\$) - 12-month period up to the LUTD	0.34	0.51	0.41	0.40	0.49	Within	Above
Closing price (\$\$) - 3-year period up to the LUTD	0.24	0.56	0.46	0.47	0.49	Within	Above
Trailing P/NAV multiples							
As at the LUTD	1.17x	1.17x	1.17x	1.17x	1.24x	Above	Above
6-month period up to the LUTD	0.94x	1.32x	1.12x	1.12x	1.24x	Within	Above
12-month period up to the LUTD	0.84x	1.32x	1.04x	1.01x	1.24x	Within	Above
36-month period up to the LUTD	0.56x	1.76x	1.11x	1.12x	1.24x	Within	Above
Trailing Distribution Yields							
As at the LUTD	6.9%	6.9%	6.9%	6.9%	6.5%	Below	Below
6-month period up to the LUTD	6.3%	8.2%	7.3%	7.3%	6.5%	Within	Below
12-month period up to the LUTD	6.3%	8.7%	7.5%	7.6%	6.5%	Within	Below
36-month period up to the LUTD	6.3%	14.7%	7.4%	7.1%	6.5%	Within	Below
Trailing Implied NPI Yields⁽⁵⁾							
As at the LUTD	4.8%	4.8%	4.8%	4.8%	4.9%	In line	In line
6-month period up to the LUTD	4.6%	5.4%	5.0%	5.0%	4.9%	Within	In line
12-month period up to the LUTD	4.6%	5.9%	5.3%	5.3%	4.9%	Within	Below
36-month period up to the LUTD	3.5%	7.7%	5.1%	5.3%	4.9%	Within	Below
Trading Multiples of Selected Comparable Industrial S-REITs							
Mid-Cap Comparable Industrial S-REITs							
Latest P/NAV Multiples	0.87x	1.01x	0.94x	0.94x	1.24x	Above	Above
LTM Distribution Yield	6.8%	7.1%	7.0%	7.0%	6.5%	Below	Below
LTM Implied NPI Yield ⁽⁵⁾	5.4%	6.2%	5.8%	5.8%	4.9%	Below	Below
Large-Cap Comparable Industrial S-REITs (Secondary Comparables Set)							
Latest P/NAV Multiples	1.14x	1.42x	1.26x	1.24x	1.24x	Within	Within
LTM Distribution Yield	4.9%	5.4%	5.3%	5.4%	6.5%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	4.5%	5.0%	4.7%	4.7%	4.9%	Within	In line
Precedent Transactions of Selected S-REIT Mergers							
Premium / (discount) to Closing price as at last trading date	(4.4%)	0.0%	(0.9%)	0.0%	5.9%	Above	Above
Premium / (discount) over 6-month VWAP	(4.8%)	8.9%	1.8%	1.6%	10.1%	Above	Above
Premium / (discount) over 12-month VWAP	(5.6%)	12.8%	3.3%	4.9%	14.0%	Above	Above

Sources: FactSet, Bloomberg, SGX, company filings on the SGX-ST

- (1) Minimum, maximum, mean and median of the respective benchmarks
- (2) Implied by the Merger as at the LUTD (14 October 2021)
- (3) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks
- (4) A metric is classified as "In line" when the parameters implied by the Merger are within a 5% range of the average of the minimum and maximum or the mean and median, as applicable, of the respective benchmarks
- (5) The LTM Implied NPI Yield is calculated by dividing the net property income over the prior 12 months by the enterprise value implied by the Consideration Unit Issue Price (please refer to Table 4 in this Letter for more details)

Table 3. Summary analysis of the Scheme Consideration

Metric	Min ⁽¹⁾	Max ⁽¹⁾	Mean ⁽¹⁾	Median ⁽¹⁾	Merger as at LUTD ⁽²⁾	Min - Max Range ^{(3),(4)}	Mean - Median Range ^{(3),(4)}
Summary Analysis of the Scheme Consideration							
Historical trading range of the ALOG Units							
Closing price (S\$) - 3-month period up to the LUTD	0.87	0.95	0.90	0.90	0.97	Above	Above
Closing price (S\$) - 6-month period up to the LUTD	0.74	0.95	0.85	0.88	0.97	Above	Above
Closing price (S\$) - 12-month period up to the LUTD	0.57	0.95	0.75	0.74	0.97	Above	Above
Closing price (S\$) - 3-year period up to the LUTD	0.36	0.95	0.70	0.71	0.97	Above	Above
Trailing P/NAV multiples							
As at the LUTD	1.39x	1.39x	1.39x	1.39x	1.44x	Above	Above
6-month period up to the LUTD	1.24x	1.64x	1.41x	1.37x	1.44x	Within	In line
12-month period up to the LUTD	0.99x	1.64x	1.32x	1.33x	1.44x	Within	Above
36-month period up to the LUTD	0.61x	1.64x	1.16x	1.13x	1.44x	Within	Above
Trailing Distribution Yields							
As at the LUTD	5.9%	5.9%	5.9%	5.9%	5.7%	In line	In line
6-month period up to the LUTD	5.8%	7.9%	6.7%	6.2%	5.7%	Below	Below
12-month period up to the LUTD	5.8%	10.2%	7.6%	7.4%	5.7%	Below	Below
36-month period up to the LUTD	5.8%	15.4%	8.1%	8.0%	5.7%	Below	Below
Trailing Implied NPI Yields⁽⁵⁾							
As at the LUTD	4.1%	4.1%	4.1%	4.1%	4.2%	In line	In line
6-month period up to the LUTD	4.1%	4.7%	4.3%	4.2%	4.2%	Within	Within
12-month period up to the LUTD	4.1%	6.7%	5.1%	4.6%	4.2%	Within	Below
36-month period up to the LUTD	4.1%	8.0%	6.0%	6.3%	4.2%	Within	Below
Trading Multiples of Selected Comparable Industrial REITs							
Mid-Cap Comparable Industrial S-REITs							
Latest P/NAV Multiples	0.87x	1.01x	0.94x	0.94x	1.44x	Above	Above
LTM Distribution Yield	6.8%	7.1%	7.0%	7.0%	5.7%	Below	Below
LTM Implied NPI Yield ⁽⁵⁾	5.4%	6.2%	5.8%	5.8%	4.2%	Below	Below
Selected Comparable Industrial A-REITs							
Latest P/NAV Multiples	0.92x	0.94x	0.93x	0.93x	1.44x	Above	Above
LTM Distribution Yield	4.5%	5.4%	5.0%	5.0%	5.7%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	2.9%	3.4%	3.1%	3.1%	4.2%	Above	Above
Large-Cap Comparable Industrial S-REITs (Secondary Comparables Set)							
Latest P/NAV Multiples	1.14x	1.42x	1.26x	1.24x	1.44x	Above	Above
LTM Distribution Yield	4.9%	5.4%	5.3%	5.4%	5.7%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	4.5%	5.0%	4.7%	4.7%	4.2%	Below	Below
Precedent Transactions of Selected S-REIT Mergers							
Premium / (discount) to NAV	(5.5%)	26.4%	7.8%	5.0%	43.7%	Above	Above
Premium / (discount) over 6-month VWAP	1.5%	24.2%	9.5%	5.1%	10.7%	Within	Above
Premium / (discount) over 12-month VWAP	0.4%	31.9%	12.4%	8.5%	24.4%	Within	Above
Precedent Takeovers Premia							
General Singapore Takeovers							
Premium / (discount) to Closing price as at last trading date	(0.0%)	88.1%	23.1%	16.5%	3.7%	Within	Below
Premium / (discount) over 1-month VWAP	0.3%	105.2%	29.3%	24.0%	4.5%	Within	Below
Premium / (discount) over 3-month VWAP	0.7%	124.2%	33.4%	25.8%	6.2%	Within	Below
Premium / (discount) over 6-month VWAP	3.0%	139.8%	36.1%	26.2%	10.7%	Within	Below

Sources: FactSet, Bloomberg, SGX, company filings on the SGX-ST

- (1) Minimum, maximum, mean and median of the respective benchmarks
- (2) Implied by the Merger as at the LUTD (14 October 2021)
- (3) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks
- (4) A metric is classified as "In line" when the parameters implied by the Merger are within a 5% range of the average of the minimum and maximum or the mean and median, as applicable, of the respective benchmarks
- (5) The LTM Implied NPI Yield is calculated by dividing the net property income over the prior 12 months by the enterprise value implied by the Scheme Consideration (please refer to Table 4 in this Letter for more details)

General bases and assumptions

The figures and underlying financial data used in our analyses in this Letter, including unit prices, trading volumes, and broker research, have been extracted from, *inter alia*, SGX-ST, Bloomberg, FactSet, and other public filings and documents. Rothschild & Co has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability of such information.

Relevant benchmark dates

For the purpose of our analyses, we have referred to the relevant benchmark dates, where required, as shown below:

- (i) **14 October 2021**: The last undisturbed full market trading day ("**Last Undisturbed Trading Date**" or "**LUTD**") prior to the Joint Announcement dated 15 October 2021 released by both ESR-REIT and ALOG in relation to the Merger; and
- (ii) **15 October 2021**: The Joint Announcement Date
- (iii) **22 January 2022**: The Revised Joint Announcement Date
- (iv) **18 February 2022**: Being the latest practicable date prior to the submission of the draft of this Letter ("**Latest Practicable Date**" or "**LPD**").

Valuation ratios

For the purpose of our evaluation of the financial terms of the Merger and for illustration, we have applied the following valuation metrics to the ESR-REIT Units and the ALOG Units in our analysis of the financial terms of the Merger:

Table 4. Description of valuation metrics applied

Valuation Metrics	Description
P/NAV	"NAV" or "net asset value" is the book value of a company's shareholders' equity (excluding minority interest). The "P/NAV" or "price-to-NAV" ratio illustrates the ratio of the market price of a company's units relative to its historical book value per unit as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies
12-month trailing Distribution Yield ("DY")	The "12-month trailing Distribution Yield" is the aggregate distribution per unit (" DPU ") amount that has been declared for distribution over the prior 12 months, divided by the current unit price. The DPU has been adjusted to exclude the impact of one-off and nonrecurring items, which include, <i>inter alia</i> , one-off retention amounts relating to prudent cash flow management as a result of the Covid-19 pandemic and capital gains

Valuation Metrics	Description
12-month trailing Implied Net Property Income Yield ("Implied NPI Yield")	<p>The "12-month trailing Implied Net Property Income Yield" is calculated by dividing the net property income ("NPI") over the prior 12 months by the enterprise value ("EV"). The EV is the sum of the company's market capitalisation, preferred equity, minority interests, short- and long-term debt (including lease liabilities) less its cash and cash equivalents and other investments. The net property income has been adjusted to exclude the impact of one-off and non-recurring items</p> <p>The Implied NPI Yield is an earnings-based valuation methodology that is capital structure neutral and therefore is not influenced by differences in gearing ratios across companies, nor by differences in the accounting treatment of interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a property company relative to its pre-tax and un-leveraged operating cash flow and performance</p>

In relation to the P/NAV multiple, we note that this type of asset-based valuation approach provides an estimate of the value of a trust assuming the hypothetical sale of all its assets over a reasonable period of time, repayment of its liabilities and obligations, and with the balance being available for distribution to its unitholders. While the asset base of a trust can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

As part of our evaluation of the financial terms of the Merger, we have compared the P/NAV multiple, DY Yield and Implied NPI Yield as implied by the Scheme Consideration and the Consideration Unit Issue Price, as applicable, to relevant mean and median values as well as relevant minimum and maximum ranges as set out in this Letter.

12.1 Overview of the Merger

12.1.1 The strategic rationale for the revised Scheme Consideration

We have considered the rationale of the revised Scheme Consideration as outlined by the ESR-REIT Manager, key points of which have been extracted from the Circular and are set out in italics below:

- a) *Growth of ESR-REIT and ALOG likely to be negatively impacted if conflicts of interest arising between ESR-REIT and ALOG from a common sponsor are not resolved*
- Following completion of the Proposed ARA Acquisition on 20 January 2022, the ESR Group is now an indirect majority controlling shareholder of the LOGOS Group.*
 - Both ESR-REIT and ALOG share a common sponsor, and have overlapping mandates in relation to asset pipeline, tenant and operational network, and financial resources.*
 - Conflicts of interest will inevitably arise which may negatively impact both REITs' growth potential as ESR-REIT and ALOG will have to compete for new assets from the ESR Group as well as from third parties.*
 - Conflicts of interest will also result in uncertainties arising from the type and amount of asset pipeline, financial resources and other Sponsor's resources support. For example, if an equity fundraising exercise is required to fund a proposed acquisition, both ESR-REIT and ALOG will be competing for the Sponsor's resources to support the fundraising (including any backstopping of the fundraising).*
 - Growth potential of both ESR-REIT and ALOG will be negatively impacted if the conflicts of interest are not resolved, and will remain as standalone sub-scale REITs with higher cost of capital and lower trading liquidity.*

- *The Merger will address the issue of overlapping mandates and potential conflicts and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders and allow better economies of scale.*
 - *The enlarged ESR-REIT, to be renamed ESR-LOGOS REIT will enjoy access to the Sponsor's New Economy pipeline of more than US\$59 billion, development work-in-progress of over US\$10 billion and a development pipeline of over 9 million square metres across 10 countries¹², in addition to the committed financial and operational support from the Sponsor.*
 - *If the Merger is not successful, the ESR Group could resolve the conflicts of interest by (i) sale of the manager of either ESR-REIT or ALOG to a third party, and in such an instance, the manager, and by reference the REIT, that is sold will not be able to leverage on the ESR Group's asset pipelines, tenant and operational network and financial resources, or (ii) the divestment of either REIT's portfolio of assets, some of which are under non-sale moratoriums imposed by JTC Corporation ("JTC"). It is the ESR-REIT Manager's opinion that either of such options is not in the interests of either REIT's unitholders as it would curtail such REIT's growth prospects which may result in either REIT losing its current premium to NAV pricing.*
 - *In addition, a sale of the ESR-REIT Manager which results in the ESR-REIT Manager ceasing to be a subsidiary (whether directly or indirectly) of the Sponsor will trigger a change in control provision in ESR-REIT's existing debt facilities of an aggregate outstanding principal amount of approximately S\$1.29 billion. Any potential buyer of the ESR-REIT Manager is likely required to obtain debt financing to replace such existing debt facilities, and there is no guarantee that the new financing terms will be more favourable than ESR-REIT's current financing terms. Such change in control provisions are common in S-REIT debt facilities given the sponsor's support and credit profile are key to the performance of the REIT.*
- b) *Proxy Advisers recommended that ALOG Unitholders vote against the Scheme based on the original Scheme terms*
- *Proxy advisers, Glass, Lewis & Co and Institutional Shareholder Services, issued reports recommending that ALOG Unitholders vote against the Scheme based on the original Scheme terms.*
 - *Taking into account the views of the proxy advisers that the original terms of the Scheme were not compelling for the ALOG Unitholders and most of the benefits of the Merger will accrue to ESR-REIT Unitholders, ESR-REIT decided to revise the Scheme Consideration to seek a balance for both ALOG Unitholders and ESR-REIT Unitholders.*
- c) *Compression of capitalisation rates¹³ for Australian industrial / logistics properties due to strong underlying fundamentals*
- *ALOG's Australian portfolio continues to be an attractive acquisition.*
 - *Australia industrial / logistics sector supported by strong underlying fundamentals.*
 - *Elevated take up rates, low vacancy and strong rental growth in 4Q2021.*
 - *Favourable fundamentals coupled with strong investor demand and a low interest rate environment have resulted in strong capital appreciation through the compression of capitalisation rates for the Australia industrial / logistics properties.*

¹² 2021-2023 pipeline as of the financial quarter ended 31 March 2021

¹³ Capitalisation rates are calculated by dividing a property's net property income by the market value of the property

We note that ESR-REIT Manager's rationale for the revised Scheme Consideration is set out in paragraph 5 of the Letter to ESR-REIT Unitholders. We recommend that the ARCC and the ESR-REIT Recommending Directors advise the ESR-REIT Unitholders to read this information carefully.

12.1.2 The strategic rationale for the Merger

We have considered the rationale and key benefits that the ESR-REIT Manager believes the Merger will bring to the ESR-REIT Unitholders, key points of which have been extracted from the Circular and are set out in italics below:

- a) *The Merger will Resolve Conflicts of Interest Arising from a Common Sponsor*
- b) *Increased Exposure to Sustainable "In-Demand" Logistics and High-Spec Properties*
 - *Logistics remains as the largest secular growth opportunity in Asia*
 - *Leveraging on the integrated value chain of consumption, production and delivery, to create an environment of sustainable demand for New Economy real estate whilst enjoying favourable supply dynamics.*
 - *Increased portfolio exposure to "In-Demand" New Economy real estate.*
 - *Increased strategic presence in Australia's attractive logistics market which continues to benefit from capitalisation rate compression, resulting in capital appreciation and higher valuations for the underlying real estate.*
- c) *Size Increasingly Matters*
 - *Lower portfolio risks attributable to higher income diversification, increased income stability and creating a more resilient portfolio.*
 - *Improved tenant quality and reduced concentration risk.*
 - *Opportunities for operational synergies and portfolio optimisation.*
 - *More competitive costs of capital.*
- d) *Transformational Scale and Sponsor's Network*
 - *Creation of one (1) of the largest industrial Singapore-listed REITs ("S-REITs") with total assets of approximately S\$5.4 billion.*
 - *ESR-LOGOS REIT is expected to be among the top 10 largest S-REITs based on its free float market capitalisation of S\$2.5 billion¹⁴.*
 - *Access to ESR Group's global tenant network.*
 - *Leverage ESR Group's financial strength and operating platform to grow.*
 - *Largest New Economy real estate pipeline to supercharge growth.*
 - *Increased development limit capacity, providing greater access to growth opportunities.*
- e) *DPU Accretive for ESR-REIT Unitholders on a Historical Pro Forma Basis*
- f) *Enhanced Environmental, Social, and Governance ("ESG") Offering*

¹⁴Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the ESR-REIT Manager, the directors of the ESR-REIT Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of ESR-LOGOS REIT post-Merger also excludes ESR-LOGOS REIT units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. ESR-LOGOS REIT's free float of S\$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S\$0.4924 per ESR-LOGOS REIT unit

Overall, the ESR-REIT Manager believes that the Merger is in line with ESR-REIT's strategy to accelerate its exposure to New Economy assets comprising High-Spec assets and logistics properties. The Merger will also deepen ESR-LOGOS REIT's presence in key Singapore industrial clusters and expand its foothold in new economic hubs in Australia and access to freehold and/or land lease properties. This will help mitigate the effects of the shorter lease tenures that apply to Singapore industrial properties. The enlarged ESR-REIT will have approximately 65% exposure to New Economy assets comprising High-Spec assets and logistics properties suitable for advanced manufacturing, pharmaceuticals, life sciences and data-centre operators. With the combination of two best-in-class platforms with solid track records in value creation, more competitive and wider pools of capital as well as lower portfolio risks, the Merger will be transformative and re-position and propel ESR-LOGOS REIT towards an enhanced growth trajectory, backed by the ESR Group. ESR-LOGOS REIT will have access to the Sponsor's (as defined herein) New Economy pipeline properties of over US\$59 billion¹⁵ to supercharge growth to become a leading Future-Ready APAC S-REIT. The Merger will enhance ESR-LOGOS REIT's capacity to acquire more quality properties as well as undertake more development projects to drive value accretive growth.

We note that ESR-REIT Manager's rationale for the Merger is set out in paragraph 6 of the Letter to ESR-REIT Unitholders. We recommend that the ARCC and the ESR-REIT Recommending Directors advise the ESR-REIT Unitholders to read this information carefully.

¹⁵ ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of associates) as of 31 December 2021

12.2 Evaluation of the Consideration Unit Issue Price

12.2.1 Liquidity analysis of the ESR-REIT Units

In order to evaluate whether the historical market prices of the ESR-REIT Units provide a meaningful reference point for comparison with the Consideration Unit Issue Price, we have considered the liquidity and free float of ESR-REIT relative to the Top 30 STI Companies based on market capitalisation as at the Last Undisturbed Trading Date of 14 October 2021.

Table 5. Liquidity analysis of ESR-REIT and the Top 30 STI Companies

Company	Market cap	Latest NOSH ⁽¹⁾	Free float ⁽²⁾	Avg daily vol ⁽³⁾	Avg daily vol / Free float ⁽³⁾	Avg daily vol / NOSH ⁽³⁾	Avg daily val / Market cap ⁽⁴⁾	No. of brokers covering
	(\$m)	(m)	(%)	(m)	(%)	(%)	(%)	(#)
DBS Group Holdings Ltd	78,715	2,588	70.0%	4.56	0.25%	0.18%	0.16%	19
Oversea-Chinese Banking Corporation Limited	53,635	4,515	72.6%	5.80	0.18%	0.13%	0.12%	19
United Overseas Bank Ltd. (Singapore)	44,846	1,686	75.0%	2.75	0.22%	0.16%	0.15%	19
Singapore Telecommunications Limited	41,452	16,515	40.8%	30.47	0.45%	0.18%	0.17%	18
Jardine Matheson Holdings Limited	39,987	722	28.3%	0.32	0.16%	0.04%	0.05%	6
Wilmar International Limited	28,111	6,403	29.3%	8.21	0.44%	0.13%	0.14%	12
CapitaLand Investment Ltd	17,899	5,203	99.9%	14.88	0.29%	0.29%	0.28%	9
Thai Beverage Public Co., Ltd	17,834	25,119	28.7%	28.55	0.40%	0.11%	0.11%	17
Singapore Airlines Ltd	16,525	2,978	43.8%	8.67	0.66%	0.29%	0.25%	12
CapitaLand Integrated Commercial Trust	13,734	6,479	100.0%	19.28	0.30%	0.30%	0.29%	13
Ascendas Real Estate Investment Trust	12,711	4,195	100.0%	13.09	0.31%	0.31%	0.31%	15
Singapore Technologies Engineering Ltd	12,240	3,122	48.1%	4.10	0.27%	0.13%	0.13%	12
Hongkong Land Holdings Limited	11,502	2,324	49.5%	2.20	0.19%	0.09%	0.09%	10
Singapore Exchange Ltd	10,288	1,072	76.1%	3.15	0.39%	0.29%	0.31%	15
Keppel Corporation Limited	9,849	1,821	78.0%	3.82	0.27%	0.21%	0.20%	12
Genting Singapore Limited	9,433	12,094	47.0%	28.46	0.50%	0.24%	0.25%	16
Jardine Cycle & Carriage Limited	9,347	395	24.2%	0.60	0.63%	0.15%	0.13%	3
Mapletree Logistics Trust	8,550	4,297	66.8%	12.21	0.43%	0.28%	0.29%	13
Mapletree Industrial Trust	7,314	2,660	75.6%	7.60	0.38%	0.29%	0.30%	14
Mapletree Commercial Trust	7,074	3,321	65.7%	8.24	0.38%	0.25%	0.24%	14
City Developments Ltd	6,729	909	53.1%	2.65	0.55%	0.29%	0.29%	16
UOL Group Ltd	6,104	844	54.7%	1.11	0.24%	0.13%	0.13%	9
Yangzijiang Shipbuilding (Holdings) Ltd	5,524	3,974	57.4%	34.06	1.49%	0.86%	0.77%	8
Frasers Logistics & Commercial Trust	5,551	3,676	75.8%	10.34	0.37%	0.28%	0.27%	10
Venture Corporation Ltd	5,402	292	91.2%	1.06	0.40%	0.36%	0.38%	14
SATS Ltd	4,901	1,124	56.5%	2.75	0.43%	0.24%	0.23%	7
Dairy Farm International Holdings Ltd	4,762	1,353	22.2%	1.16	0.38%	0.09%	0.10%	9
Keppel DC Real Estate Investment Trust	4,098	1,715	80.9%	6.44	0.46%	0.38%	0.42%	12
Sembcorp Industries Ltd	3,468	1,788	49.9%	5.19	0.58%	0.29%	0.28%	9
ComfortDelGro Corporation Ltd	3,425	2,167	98.7%	12.45	0.58%	0.57%	0.59%	12
Maximum	78,715	25,119	100.0%	34.06	1.49%	0.86%	0.77%	19
Mean	16,700	4,178	62.0%	9.47	0.42%	0.25%	0.25%	12
Median	9,641	2,624	61.6%	6.12	0.39%	0.25%	0.25%	12
Minimum	3,425	292	22.2%	0.32	0.16%	0.04%	0.05%	3
ESR-REIT	1,863	4,007	70.8%	9.39	0.33%	0.23%	0.21%	8

Source: FactSet (as at the Last Undisturbed Trading Date)

- (1) Number of shares outstanding ("NOSH") based on FactSet as at the Last Undisturbed Trading Date
- (2) Free float percentages as based on FactSet as at the Last Undisturbed Trading Date
- (3) Average daily trading volume is computed as the 12-month average of daily trading volumes for the respective companies up to and including the Last Undisturbed Trading Date
- (4) Average daily trading value is computed as the average VWAP over the 12-month period up to and including the Last Undisturbed Trading Date multiplied by the average daily trading volume for the respective companies

With respect to the above table, we note the following observations in respect to the ESR-REIT Units:

- a) In the 12-month period leading up to and including the Last Undisturbed Trading Date, ESR-REIT's average daily trading volume represented 0.33% of its free float. These values are within the ranges of 0.16% to 1.49% and below the mean and median of 0.42% and 0.39%, respectively, as represented by the Top 30 STI Companies; and

- b) In the 12-month period leading up to and including the Last Undisturbed Trading Date, ESR-REIT's average daily trading value represented 0.21% of its market capitalisation. These values are within the ranges of 0.05% to 0.77% and below the mean and median of 0.25%, as represented by the Top 30 STI Companies.

The above analysis suggests that the ESR-REIT Units did not suffer from illiquid trading conditions in the 12-month period up to and including the Last Undisturbed Trading Date.

Based on our analysis of the average daily trading volume relative to the Top 30 STI Companies, it appears that there is reasonable liquidity in the ESR-REIT Units. This suggests that the market prices of the ESR-REIT Units should generally reflect the fundamental, market-based value of the ESR-REIT Units.

We wish to highlight that the above analysis of the historical trading liquidity of the ESR-REIT Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the ESR-REIT Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

12.2.2 Market Prices and Trading Activity of the ESR-REIT Units

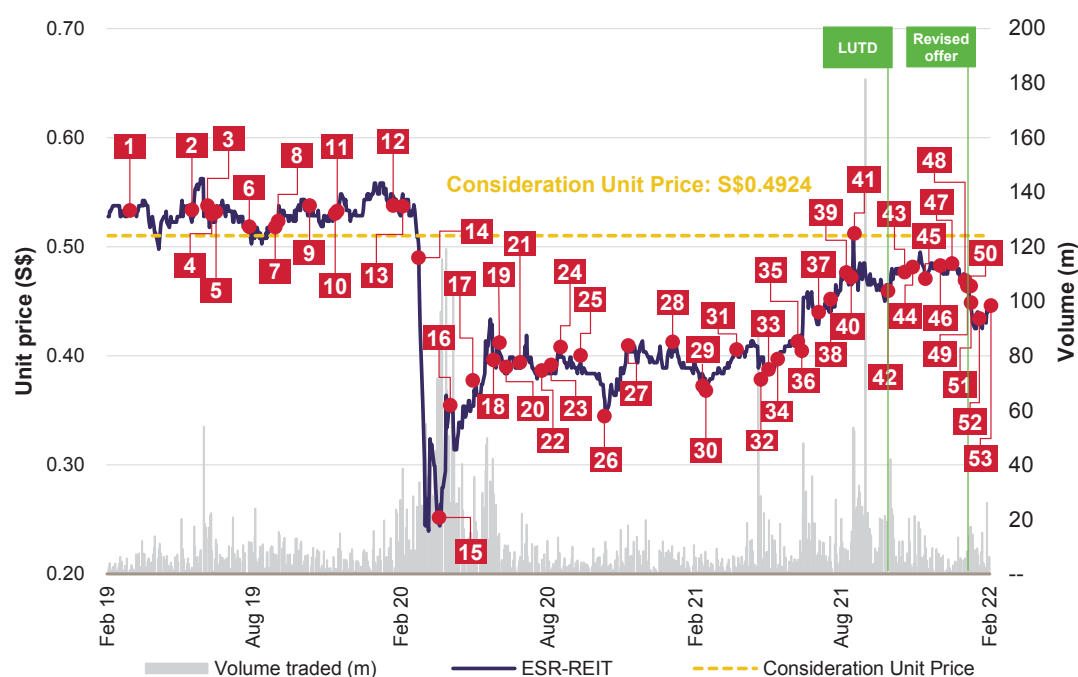
Pursuant to the Implementation Agreement and subject to the Scheme becoming effective in accordance with its terms, the Scheme Consideration shall be satisfied by the allotment and issue by ESR-REIT of new Consideration Units. Accordingly, we have considered the current and historical trading performance of the ESR-REIT Units for the period between the 36-month period up to the Latest Practicable Date of 18 February 2022.

We set out in Chart 1 the daily closing prices and trading volume of the ESR-REIT Units for the 36-month period up to the Latest Practicable Date.

We note the following:

- a) The closing prices of the ESR-REIT Units have traded between S\$0.24 and S\$0.56 per ESR-REIT Unit in the 36-month period up to the Latest Practicable Date based on the daily closing prices; and
- b) The outbreak of the Novel Coronavirus ("**Covid-19**"), declared by the World Health Organisation ("**WHO**") as a 'Global Pandemic' on 11 March 2020 ("**WHO Announcement Date**"), has impacted global financial markets and market activity in many sectors, including the real estate market. The WHO announced on 11 March 2020 that the Covid-19 situation can be characterised as a pandemic. We note that from the WHO Announcement Date up to the Latest Practicable Date, the closing prices of the ESR-REIT Units have traded between S\$0.24 and S\$0.51 per ESR-REIT Unit based on the daily closing prices. The Consideration Unit Issue Price represents a premium of 67.1% above the lowest transacted price and is in line with the highest transacted price.

Chart 1. ESR-REIT Unit price performance over the 36-month period up to the Latest Practicable Date



Sources: FactSet (as at the Latest Practicable Date), company filings on the SGX-ST, public sources

A summary of the selected salient announcements made by ESR-REIT and key market events which occurred during the period between the 36-months up to the Latest Practicable Date are set out below:

No.	Date	Event
(1)	5 March 2019	<p>The ESR-REIT Manager announced that it has on 1 March 2019 filed proofs of claim against Hyflux Ltd and Hyflux Membrane Manufacturing (S) Pte. Ltd. in connection with the notices dated 22 February 2019 given for meeting(s) to be held for considering and voting on a compromise of arrangement involving the obligations owed by Hyflux and Hyflux Membrane. Hyflux Membrane is one of ESR-REIT's top 10 tenants who accounted for approximately 3.5% of the total rental income for December 2018. The rental income from Hyflux Membrane for 4Q2018 was approximately S\$2.1 million. As at the date of this announcement, Hyflux Membrane has not defaulted in its payment of rental pursuant to the lease agreements entered into with ESR-REIT in relation to the property located at 8 Tuas South Lane.</p> <p>Additionally, The ESR-REIT Manager announced that the ESR-REIT Trustee has entered into a S\$155 million unsecured loan facility agreement with Australia and New Zealand Banking Group Limited, Singapore branch; CTBC Bank Co., Ltd., acting through its Singapore branch; and Standard Chartered Bank, Singapore branch, as lenders and Australia and New Zealand Banking Group Limited as facility agent. The proceeds will be applied towards general corporate funding purposes.</p>
(2)	29 May 2019	<p>The ESR-REIT Manager announced that the ESR-REIT Trustee has entered into a S\$150 million unsecured loan facility agreement with CIMB Bank Berhad, Singapore branch, as lender. The proceeds will be applied towards general corporate funding purposes.</p>

No.	Date	Event
(3)	17 June 2019	<p>The ESR-REIT Manager announced that the ESR-REIT Trustee has entered into a joint venture (the “Joint Venture”) through a limited liability partnership in Singapore known as PTC Logistics Hub LLP (the “LLP”) with Poh Tiong Choon Logistics Limited (“PTC”). ESR-REIT currently holds 49.0% of the partnership interests in the LLP and PTC holds the remaining 51.0% interest of the partnership interests in the LLP. Further to the Joint Venture, the LLP has, on 17 June 2019, entered into a leasehold interest over a property situated at 48 Pandan Road, Singapore 609289 (the “Property”). The purchase consideration for the proposed acquisition of the Property is S\$225.0 million which is expected to be funded through a S\$40.2 million contribution by PTC, a S\$38.6 million contribution by the ESR-REIT Trustee, and debt of approximately S\$146.2 million to be taken out by the LLP. In connection with the proposed acquisition, the total acquisition costs attributable to ESR-REIT is S\$44.4 million. On the completion of the proposed acquisition, the Property shall be leased back by the LLP as landlord to PTC as tenant for a term of ten years with fixed rental escalation per annum.</p> <p>Additionally, the ESR-REIT Manager announced that ESR-REIT has plans to conduct Asset Enhancement Initiatives (“AEIs”) on two existing assets in its portfolio. This includes utilizing untapped plot ratios to develop a modern high-specification industrial facility on the site of 7000 Ang Mo Kio Avenue 5 (“7000 AMK”) as part of its strategy to unlock value in its portfolio, and rejuvenation works at UE BizHub EAST to enhance its ‘work-live-play’ factor to attract quality tenants in the Changi Business Park region. Both development works are estimated to cost approximately S\$45.7 million and are expected to provide an estimated yield on cost of up to 9.0%.</p> <p>The ESR-REIT Manager announced the proposed equity fund raising, comprising of new units in ESR-REIT by way of (i) a private placement of up to approximately 195.0 million new units to institutional and other investors at an issue price of between S\$0.515 and S\$0.525 per private placement new unit (both figures inclusive) (the “Private Placement”) to raise gross proceeds of not less than approximately S\$75.0 million, subject to an upside option to raise additional gross proceeds such that the total gross proceeds of the private placement will amount to not more than approximately S\$100.0 million; and (ii) a non-renounceable preferential offering of new units to the existing holders of units on a <i>pro rata</i> basis to raise gross proceeds of not more than S\$75.0 million (“Preferential Offering”). Pursuant to the fund raising, the ESR-REIT Manager, has no intention of raising aggregate gross proceeds in excess of approximately S\$150.0 million.</p>
(4)	26 June 2019	<p>The ESR-REIT Manager announced that pursuant to the Private Placement, 194,174,000 new units will be issued on 26 June 2019 at the issue price of S\$0.515 per new unit, to raise gross proceeds of approximately S\$100.0 million.</p>
(5)	28 June 2019	<p>The ESR-REIT Manager announced the ESR-REIT Trustee has completed the divestment of 31 Kian Teck Way today for approximately S\$5.8 million (excluding divestment costs and applicable goods and services tax). The sale consideration represents a premium of 1.7% above the book value of the property of S\$5.7 million.</p>
(6)	7 August 2019	<p>The ESR-REIT Manager announced that the conditions precedent under the Option Agreement between PTC Logistics Hub LLP (the “LLP”) and Poh Tiong Choon Logistics Limited dated 17 June 2019 have been fulfilled or waived, and the LLP has completed the acquisition of 48 Pandan Road, Singapore 609289 for a purchase price of S\$225.0 million.</p>
(7)	5 September 2019	<p>The ESR-REIT Manager announced that P-Way Construction & Engineering Pte Ltd has leased approximately 168,846 square feet at 8 Tuas South Lane to supply steel fabrication works, store railway equipment and parts and provide dormitory services for their employees.</p>

No.	Date	Event
(8)	12 September 2019	<p>The ESR-REIT Manager released the results of the Extraordinary General Meeting held on 12 September 2019 whereby subject to certain conditions, the independent ESR-REIT unitholders (Whitewash) waived their rights to receive a Mandatory Offer from ESR Cayman Limited ("Sponsor") and persons acting in concert or presumed to be acting in concert with it in relation to ESR-REIT, for all the remaining ESR-REIT Units not already owned, controlled or agreed to be acquired provided that the Sponsor's and the ESR-REIT Manager's total subscription under the preferential offering will not exceed S\$50.0 million and certain related details. Please refer to the release by ESR-REIT Manager on 12 September 2019 entitled "Notice of Extraordinary General Meeting".</p> <p>Additionally, the ESR-REIT Manager announced that the S\$750,000,000 Multi Currency Debt Issuance Programme established by ESR-MTN Pte. Ltd. and ESR-REIT Trustee on 2 February 2012 and last updated on 20 October 2017, has been updated with effect from 12 September 2019 to, <i>inter alia</i>, amend the negative pledge, the financial covenants and the cross-default threshold under the conditions of the notes and certain related details. Please refer to the release by ESR-REIT Manager on 12 September 2019 entitled "Update of the S\$750,000,000 Multicurrency Debt Issuance Programme".</p>
(9)	10 October 2019	<p>The ESR-REIT Manager announced that as at the close of the preferential offering on 4 October 2019, valid acceptances and excess applications were received for a total of 208,486,188 new units. Pursuant to the preferential offering, a total of 98,117,183 new units at the issue price of S\$0.510 per new unit will be issued to raise gross proceeds of approximately S\$50.0 million. Together with the gross proceeds of approximately S\$100.0 million raised from the private placement, gross proceeds of a total of approximately S\$150.0 million have been raised.</p>
(10)	13 November 2019	<p>The ESR-REIT Manager announced that ESR-REIT has today drawn down the bank guarantees furnished by Hyflux Membrane Manufacturing (S) Pte. Ltd. ("Hyflux Membrane") in relation to the lease agreements entered into with ESR-REIT.</p>
(11)	15 November 2019	<p>Activist investor Quarz Capital Management, Ltd. sent an open letter proposing the merger of ESR-REIT and Sabana REIT, citing that ESR Cayman Limited's controlling stake in the manager of both REITs puts Sabana REIT at a disadvantage given the significant overlap of investment mandates between the two REITs.</p>
(12)	13 February 2020	<p>The ESR-REIT Manager announced that it has secured a new lease for approximately 48,000 square feet of space at 8 Tuas South Lane. The new lease is entered into with a tenant who is a manufacturer of copper wire.</p>
(13)	28 February 2020	<p>The ESR-REIT Manager announced that the ESR-REIT Trustee has entered into a S\$200 million unsecured loan facility agreement with (i) MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation Singapore Branch as mandated lead arrangers and book runners, (ii) MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation Singapore Branch as original lenders and (iii) Sumitomo Mitsui Banking Corporation Singapore Branch, as facility agent. The proceeds will be applied towards general corporate funding purposes.</p>
(14)	11 March 2020	<p>The WHO declared Covid-19 as a pandemic. The outbreak of Covid-19 had resulted in the worst crash across global stock markets since 2008. The S&P 500 fell by 7.6%, the Dow Jones Industrial Average declined over 2,000 points to drop by 7.8% and oil prices declined by 24%.</p>
(15)	3 April 2020	<p>Singaporean Prime Minister Lee Hsien Loong announced a nationwide partial lockdown ("Circuit Breaker"), as a measure to minimize the spread of Covid-19 in Singapore. It was announced that from 7 April 2020 to 4 May 2020 (inclusive), Singapore will move towards full home-based learning for schools and move work and business to be carried out via telecommuting, except for those in essential services.</p>
(16)	21 April 2020	<p>Singaporean Prime Minister Lee Hsien Loong announced the extension of the Circuit Breaker period by another 4 weeks until 1 June 2020 (inclusive) as well as tighter measures to be introduced during the Circuit Breaker period, to further reduce the transmission of Covid-19.</p>

No.	Date	Event
(17)	19 May 2020	Singaporean Prime Minister Lee Hsien Loong announced plans to reopen the Singapore economy in three phases, starting with Phase 1 on 2 June 2020. Activities that do not pose high risk of transmission will be allowed to resume first, but social, economic and entertainment activities that carry higher risks must remain closed.
(18)	15 June 2020	The Multi-Ministry Taskforce announced that Singapore will move into Phase 2 on 19 June 2020 as infection rates have remained stable, cases in migrant worker dormitories have declined and there are no new large clusters emerging. A wider scope of activities will be allowed to resume, while maintaining safe distancing measures, but activities where many people will come into close contact for long period of time will take more time to resume. All employers to ensure telecommuting by default, where possible.
(19)	17 June 2020	The ESR-REIT Manager announced that Moody's Investor Service (" Moody's ") has, on 17 June 2020, withdrawn ESR-REIT's Baa3 issuer rating, (P)Baa3 senior unsecured rating on its S\$750.0 million Multicurrency Debt Issuance Programme and the Baa3 ratings on the senior unsecured loans drawn from the programme and its stable outlook. Moody's has decided to withdraw the ratings for its own business reasons.
(20)	30 June 2020	The ESR-REIT Manager announced that Pacific Integrated Logistics Pte Ltd and Royal Engineering & Trading (S) Pte. Ltd. have collectively leased an aggregate 284,700 square feet of space at 8 Tuas South Lane, further reducing exposure to Hyflux Membrane (s) Pte. Ltd.
(21)	16 July 2020	Joint Announcement Date – The ESR-REIT Manager and the manager of Sabana Shari'ah Compliant Real Estate Investment Trust (" Sabana REIT ") and the manager of Sabana REIT, the " Sabana Manager ") jointly announced the proposed merger of ESR-REIT and Sabana REIT effected through the acquisition by ESR-REIT Trustee of all the units of Sabana REIT, in exchange for units in ESR-REIT, by way of a trust scheme of arrangement in compliance with the Code. Additionally, as mentioned in the proposed merger announcement and in connection with the merger and scheme, the ESR-REIT Trustee has entered into a S\$460 million unsecured loan facility agreement with (i) Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch and United Overseas Bank Limited, as mandated lead arrangers and book runners, (ii) Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad, Sumitomo Mitsui Banking Corporation Singapore Branch and United Overseas Banking Limited, as original lenders and (iii) United Overseas Bank Limited, as facility agent.
(22)	6 August 2020	Referring to the Joint Announcement, the ESR-REIT Manager announced that it does not intend to increase the Scheme Consideration and accordingly, the exchange ratio of 0.940x is final, except that the ESR-REIT Manager reserves the right to do so in a competitive situation.
(23)	7 August 2020	The ESR-REIT Manager and Sabana Manager announced to the unitholders of ESR-REIT and Sabana REIT respectively a corrigendum to Joint Announcement and Sabana investor presentation. The corrigendum is an addendum to and should be read in conjunction with the Joint Announcement and the Sabana investor presentation.
(24)	31 August 2020	The ESR-REIT Manager issued a press release affirming that the Merger between ESR-REIT and Sabana REIT presents significant benefits. The ESR-REIT Manager highlighted that the Scheme Consideration is based on a fixed gross exchange ratio of 0.940x, and not a fixed offer price. The ESR-REIT Manager expressed it believes that the terms of the Merger are fair and will result in a win-win outcome.
(25)	28 September 2020	Following an announcement by the Multi-Ministry Taskforce, restrictions at workplaces were significantly eased allowing more employees to return to offices under strict safe management measures.

No.	Date	Event
(26)	30 October 2020	The ESR-REIT Manager announced an interim business performance update for the quarter ended 30 September 2020 (Q3 2020). As part of the announcement, ESR-REIT declared a DPU of 0.798 Singapore cents for 3Q2020, including the release of S\$3.5 million distributable income from 1Q2020, which was previously retained in view of Covid-19 uncertainties.
(27)	4 December 2020	The proposed merger of ESR-REIT and Sabana REIT was approved by ESR-REIT unitholders at the Extraordinary General Meeting. However, the proposed merger between ESR-REIT and Sabana REIT lapsed as Sabana REIT unitholders did not approve an amendment of the Sabana Trust Deed to include provisions that will facilitate the implementation of the Scheme which was a condition precedent to the proposed merger between ESR-REIT and Sabana REIT.
(28)	20 January 2021	The ESR-REIT Manager announced its unaudited financial results for the full year ended 31 December 2020 (FY2020). As part of the announcement, ESR-REIT declared a DPU of 0.840 Singapore cents for 4Q2020 which includes the release of 0.099 Singapore cents of the DPU retained in 1Q2020. Gross revenue for the full year ended 31 December 2020 was S\$237.3 million which is a 6.2% decrease from the prior financial year's (FY2019) revenue of S\$253.0 million. Core DPU for FY2020 was 2.8 Singapore cents which is a 20.7% decrease from FY2019's Core DPU of 3.529 Singapore cents.
(29)	8 March 2021	The ESR-REIT Manager announced that RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT, has entered into a S\$320 million unsecured loan facility agreement with (i) United Overseas Bank Limited, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad and The Hongkong and Shanghai Banking Corporation Limited, as mandated lead arrangers and bookrunners, (ii) United Overseas Bank Limited, Malayan Banking Berhad, Singapore Branch, RHB Bank Berhad and The Hongkong and Shanghai Banking Corporation Limited, as original lenders, and (iii) United Overseas Bank Limited, as facility agent. The unsecured loan facility consists of a S\$160 million term loan facility and a S\$160 million revolving loan facility with a final maturity date of 60 months and 48 months respectively from their first utilisation dates.
(30)	22 April 2021	The ESR-REIT Manager announced an interim business performance update for the quarter ended 31 March 2021 (Q1 2021). As part of the announcement, ESR-REIT achieved a DPU of 0.800 Singapore cents for 1Q2021, representing a 14.8% year-on-year growth compared to Q1 2020.
(31)	28 April 2021	The ESR-REIT Manager announced the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East for S\$53.0 million. The sale consideration of S\$53.0 million represents a 5.0% premium to the total fair value of the properties at S\$50.5 million as at 31 December 2020 and a 7.1% premium to their total acquisition price.
(32)	14 May 2021	ESR Cayman Limited and ESR-REIT jointly announced the completion of the acquisition of 10.0% of the total issued units in EALP by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) for a purchase consideration of A\$60.5 million.
(33)	18 May 2021	ESR-REIT issued 268,818,000 new units at S\$0.372 per unit to raise gross proceeds of approximately S\$100 million. ESR-REIT also announced the advanced distribution of 0.410 Singapore cents per unit in ESR-REIT for the period from 1 April 2021 to 17 May 2021.
(34)	27 May 2021	The ESR-REIT Manager announced that 19 Tai Seng Avenue secured over 63.0% committed occupancy ahead of expected TOP in 3Q 2021. Among the four new tenants secured, XP Power Limited, a global leader of power solutions, will be the anchor tenant of the Property with an occupancy of about 25,600 sqft. With over 64,800 sqft committed and another approximately 26.0% under advanced lease negotiations, the ESR-REIT Manager is on track to achieve over 90% committed occupancy for the Property, ahead of the expected completion of its asset enhancement initiatives.

No.	Date	Event
(35)	29 June 2021	The ESR-REIT Manager announced the completion of its proposed acquisition of 46A Tanjong Penjuru, Singapore 609040 (together with the plant and mechanical and electrical equipment) at a purchase consideration of S\$112.0 million.
(36)	1 July 2021	The ESR-REIT Manager announced that Ms. Stefanie Yuen Thio will be re-designated from an Independent Non-Executive Director to the Independent Chairperson of the ESR-REIT Manager with effect from 1 July 2021. Ms. Yuen Thio succeeds Mr. Ooi Eng Peng, who will be re-designated as Non-Executive Director.
(37)	23 July 2021	The ESR-REIT Manager announced results for the half year ending 30 June 2021 (1H 2021). DPU for 1H 2021 increased 14.3% year-on-year to 1.554 Singapore cents, while DPU for the quarter ending June 2021 (2Q 2021) increased 13.9% year-on-year from 0.662 Singapore cents to 0.754 Singapore cents.
(38)	4 August 2021	ESR-REIT announced the issue of S\$125 million in aggregate principal amount of 2.6% notes due 2026 as part of their S\$750 million Multicurrency Debt Issuance Programme established on 2 February 2012.
(39)	24 August 2021	ESR-REIT announced the completion of a S\$49.6 million preferential offering which saw strong demand from existing Unitholders, was approximately 3.6 times subscribed. 124.1 million preferential offering new units were offered to existing unit holders on the basis of 32 preferential offering new units for every 1,000 existing units at an issue price of S\$0.4 representing a discount of 9.2% to the volume adjusted weighted average price of S\$0.4403 per unit on 26 July 2021.
(40)	30 August 2021	ESR-REIT Manager announced that RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) has entered into an agreement to divest 45 Changi South Avenue 2, a general industrial building, for a sale consideration of S\$11.1 million (excluding divestment costs and applicable goods and services tax).
(41)	2 September 2021	ESR-REIT Manager announced that ESR-REIT will be included in the FTSE EPRA NAREIT Global Real Estate Index Series (Global Developed Index) with effect from 20 September 2021.
(42)	15 October 2021	Joint Announcement Date – The ESR-REIT Manager and the ALOG Manager jointly announced the proposed Merger of ESR-REIT and ALOG effected through the acquisition by ESR-REIT Trustee of all the units of ALOG, in exchange for cash and units in ESR-REIT, by way of a trust scheme of arrangement in compliance with the Code.
(43)	3 November 2021	The ESR-REIT Manager announced that the ordinary resolutions to approve, inter alia, the Proposed ARA Acquisition were duly passed by the shareholders of the Sponsor at the extraordinary general meeting of the Sponsor held on 3 November 2021.
(44)	16 November 2021	The ESR-REIT Manager announced that 4,850,968 new units in ESR-REIT have been issued to the ESR-REIT Manager (3,311,535 new Units) and ESR Property Management (S) Pte Ltd, the Property Manager of ESR-REIT (1,539,433 new Units) on 16 November 2021. The new units were allotted at an issue price of S\$0.4750 per unit as partial payment for the ESR-REIT Manager's base fees and the Property Manager's property management fees for the period from 1 July 2021 to 30 September 2021.
(45)	30 November 2021	The ESR-REIT Manager announced that that RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) has completed the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East for approximately S\$53.0 million (excluding divestment costs and applicable goods and services tax).
(46)	14 December 2021	The ESR-REIT Manager announced that that approval in-principle was received on 14 December 2021 from the SGX-ST for the listing and quotation of up to 2,465.6 million Consideration Units on the Main Board of the SGX-ST pursuant to the Merger, subject to certain conditions to be satisfied.
(47)	10 January 2022	The ESR-REIT Manager announced that RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) has entered into an agreement with Tat Seng Packaging Group Ltd to divest 28 Senoko Drive, a general industrial building, for a sale consideration of S\$12.0 million (excluding divestment costs and applicable goods and services tax).

No.	Date	Event
(48)	17 January 2022	Proxy advisory firms Institutional Shareholder Services (“ISS”) and Glass Lewis & Co recommend that unitholders of ALOG vote against the merger with ESR-REIT at an extraordinary general meeting as they felt that the merger terms undervalue ALOG and favour ESR-REIT unitholders over ALOG unitholders.
(49)	20 January 2022	The ESR-REIT Manager announced the completion of the Proposed ARA Acquisition, being the proposed acquisition of ARA by ESR Cayman Limited.
(50)	22 January 2022	Revised Joint Announcement – On 22 January 2022, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Revised Joint Announcement in relation to, inter alia, the revision of the Scheme Consideration payable to the ALOG Unitholders pursuant to the Merger and the Scheme. On 22 January 2022, the board of directors of the ESR-REIT Manager also released the Revised Acquisition Announcement which set out, inter alia, that the revised Scheme Consideration was being proposed based on recommendations by the proxy advisers for ALOG Unitholders to vote against the Scheme and the views of the proxy advisers that the previous terms of the Scheme were not compelling for ALOG Unitholders and most of the benefits of the Merger will accrue to ESR-REIT.
(51)	27 January 2022	The ESR-REIT Manager announced the unaudited financial results of ESR-REIT and its subsidiaries for the half year and full year ended 31 December 2021 and the distribution of 0.721 cents per ESR-REIT unit for the period from 1 October 2021 to 31 December 2021.
(52)	9 February 2022	The ESR-REIT Manager announced that the issue price of the units in ESR-REIT pursuant to the application of the ESR-REIT Distribution Reinvestment Plan to ESR-REIT’s distribution for the period from 1 October 2021 to 31 December 2021 1 (“ DRP Units ”) is S\$0.4221 per DRP Unit.
(53)	18 February 2022	The ESR-REIT Manager announced that approval in-principle was received from the SGX-ST for the listing and quotation of up to 2,607.6 million Consideration Units on the Main Board of the SGX-ST.

Historical VWAPs of the ESR-REIT Units

We set out in Table 6 below the historical VWAPs of the ESR-REIT Units for various reference periods up to and including the Last Undisturbed Trading Date and the Latest Practicable Date, respectively.

Table 6. Historical share price and trading volume (ESR-REIT)

Evaluation of the Consideration Unit Issue Price (S\$0.4924 per ESR-REIT Unit)							
Reference period	Price basis	ADTV ('000s) ⁽¹⁾	ADTV / free float (%) ⁽²⁾	Lowest price (S\$)	Highest price (S\$)	VWAP (S\$) ⁽³⁾	Premium / (discount) to price basis (%)
A) Periods up to and including the Last Undisturbed Trading Date (14 October 2021)							
LUTD (14 October 2021)	Closing price	4,304	0.15	0.465	0.465	0.466	5.9 ⁽⁴⁾
Last 1 month	VWAP	21,271	0.75	0.450	0.485	0.471	4.5
Last 3 months	VWAP	16,478	0.58	0.429	0.510	0.469	5.0
Last 6 months	VWAP	13,671	0.48	0.379	0.510	0.447	10.1
Last 12 months	VWAP	9,412	0.33	0.344	0.510	0.432	14.0
B) Period from the Joint Announcement Date up to the Latest Practicable Date (15 October 2021 to 18 February 2022)							
From the Joint Announcement Date up to the Latest Practicable Date	VWAP	7,556	0.26	0.425	0.495	0.468	5.3
From the Joint Announcement Date up to the Revised Joint Announcement Date	VWAP	6,961	0.24	0.460	0.495	0.479	2.8
From the Revised Joint Announcement Date up to the Last Practicable Date	VWAP	9,630	0.34	0.425	0.470	0.440	11.9
As at the Latest Practicable Date	Closing price	6,237	0.22	0.445	0.445	0.441	10.7 ⁽⁴⁾

Sources: FactSet, Bloomberg

- (1) The average daily trading volume of the ESR-REIT Units is calculated as the average of the daily trading volumes of the ESR-REIT Units for each of the relevant periods
- (2) Free float is based on FactSet and refers to the number of ESR-REIT Units that are available to the public
- (3) The VWAP is weighted based on the volume of the ESR-REIT Units traded and transacted prices of the ESR-REIT Units for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustments to unit prices have been made for dividends, bonus issues or other corporate transactions in each respective reference period
- (4) Based on the closing price of S\$0.465 and S\$0.445 on LUTD and Latest Practicable Date respectively

Based on the above table, we note that:

(A) Periods up to and including the Last Undisturbed Trading Date (14 October 2021):

- (i) The Consideration Unit Issue Price of S\$0.4924 represents a premium of 5.9% to the closing price of the ESR-REIT Units on the Last Undisturbed Trading Date;
- (ii) The Consideration Unit Issue Price of S\$0.4924 represents a premium of 4.5%, 5.0%, 10.1% and 14.0% to the 1-month, 3-month, 6-month and 12-month VWAPs of the ESR-REIT Units for the periods up to and including the Last Undisturbed Trading Date, respectively.

(B) Period from the Joint Announcement Date up to the Latest Practicable Date (15 October 2021 to 18 February 2022):

- (i) The Consideration Unit Issue Price of S\$0.4924 represents a premium of 5.3% over the VWAP of the ESR-REIT Units, for the period from the Joint Announcement Date up to the Latest Practicable Date, of S\$0.468;
- (ii) The Consideration Unit Issue Price of S\$0.4924 represents a premium of 2.8% over the VWAP of the ESR-REIT Units, for the period from the Joint Announcement Date up to the Revised Joint Announcement Date, of S\$0.479;
- (iii) The Consideration Unit Issue Price of S\$0.4924 represents a premium of 11.9% over the VWAP of the ESR-REIT Units, for the period from the Revised Joint Announcement Date up to the Latest Practicable Date, of S\$0.440; and
- (iv) The Consideration Unit Issue Price of S\$0.4924 represents a premium of 10.7% to the closing price of the ESR-REIT Units on the Latest Practicable Date of S\$0.445.

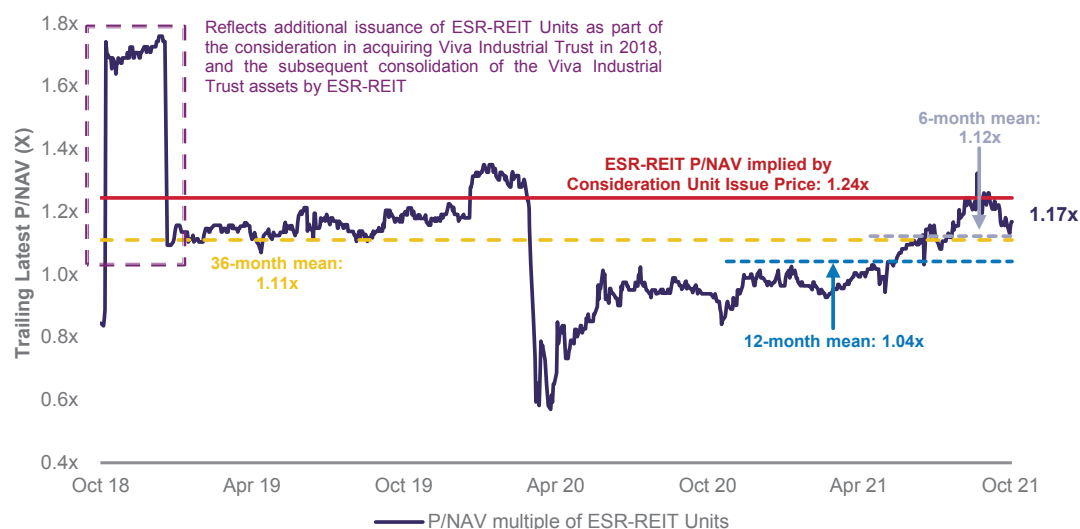
We note that there is no assurance that the price of the ESR-REIT Units will remain at current levels in the event that the Merger is terminated. We also wish to highlight that the historical trading performance of the ESR-REIT Units serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the ESR-REIT Units, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Enlarged REIT, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

12.2.3 Trailing Latest P/NAV multiples of the ESR-REIT Units relative to the Latest P/NAV multiple implied by the Consideration Unit Issue Price

For the purpose of evaluating the financial terms of the Merger, we have made reference to the trailing latest (“**Latest**”) P/NAV multiples (based on the latest reported net asset values) of the ESR-REIT Units to evaluate how the Latest P/NAV multiple implied by the Consideration Unit Issue Price compares to them.

With reference to Chart 2, we have compared the Latest P/NAV multiple implied by the Consideration Unit Issue Price to the trailing Latest P/NAV multiples of the ESR-REIT Units over the 36- month period up to and including the Last Undisturbed Trading Date.

Chart 2. Trailing Latest P/NAV multiples of ESR-REIT over the 36-month period up to the LUTD



Period up to the LUTD	Merger Implied ⁽¹⁾	Min	Max	Mean	Median
As at the LUTD (14 October 2021)	1.24x	1.17x	1.17x	1.17x	1.17x
6-month period	1.24x	0.94x	1.32x	1.12x	1.12x
12-month period	1.24x	0.84x	1.32x	1.04x	1.01x
36-month period	1.24x	0.56x	1.76x	1.11x	1.12x

Source: FactSet (as at the Last Undisturbed Trading Date)

(1) Based on the Consideration Unit Issue Price of S\$0.4924 and NAV per ESR-REIT Unit of S\$0.398 as at 30 June 2021

Based on the above, we note that:

- The Latest P/NAV multiple implied by the Consideration Unit Issue Price of 1.24x is within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.94x to 1.32x and above the mean and median of 1.12x over the 6-month period up to and including the Last Undisturbed Trading Date;
- The Latest P/NAV multiple implied by the Consideration Unit Issue Price of 1.24x is within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.84x to 1.32x and above the mean and median of 1.04x and 1.01x, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
- The Latest P/NAV multiple implied by the Consideration Unit Issue Price of 1.24x is within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.57x to 1.76x and above the mean and median of 1.11x and 1.12x, respectively over the 36-month period up to and including the Last Undisturbed Trading Date.

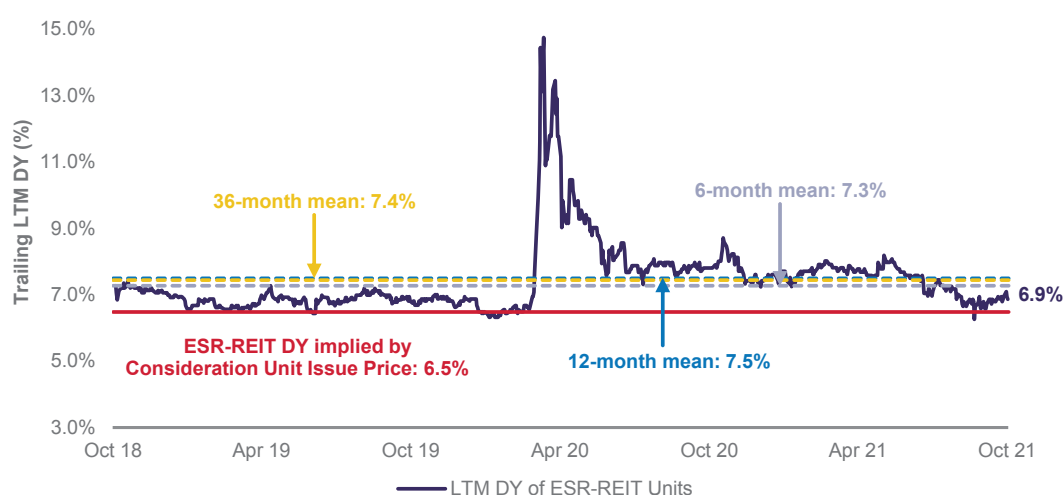
We wish to highlight that the historical trading patterns or performance of the ESR-REIT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.2.4 Trailing LTM DYs of the ESR-REIT Units relative to the LTM DY implied by the Consideration Unit Issue Price

For the purposes of evaluating the financial terms of the Merger, we have made reference to the trailing last 12-month (“LTM”) DYs of the ESR-REIT Units to evaluate how the LTM DY implied by the Consideration Unit Issue Price compares to them.

In the chart below we have compared the LTM DY implied by the Consideration Unit Issue Price to the trailing LTM DYs of the ESR-REIT Units over the 36-month period up to and including the Last Undisturbed Trading Date.

Chart 3. Trailing LTM DYs⁽¹⁾ of ESR-REIT over the 36-month period up to the LUTD



Period up to the LUTD	Merger Implied ⁽²⁾	Min	Max	Mean	Median
As at the LUTD (14 October 2021)	6.5%	6.9%	6.9%	6.9%	6.9%
6-month period	6.5%	6.3%	8.2%	7.3%	7.3%
12-month period	6.5%	6.3%	8.7%	7.5%	7.6%
36-month period	6.5%	6.3%	14.7%	7.4%	7.1%

Source: FactSet (as at the Last Undisturbed Trading Date)

(1) DYs are based on the trailing 12-month DPU

(2) Based on the Consideration Unit Issue Price of S\$0.4924 and LTM distribution per ESR-REIT Unit of 3.192 cents as at 30 June 2021 – computed as the sum of Q2 2021 DPU of 0.754 cents, Q1 2021 DPU of 0.800 cents, Q4 2020 DPU of 0.840 cents and Q3 2020 DPU of 0.798 cents. DPUs have been adjusted to account for retention amounts relating to the Covid-19 pandemic, capital gains and other non-recurring gains

Based on the above, we note that:

- a) The LTM DY implied by the Consideration Unit Issue Price of 6.5% is within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 8.2% and below the mean and median of 7.3%, over the 6-month period up to and including the Last Undisturbed Trading Date;

- b) The LTM DY implied by the Consideration Unit Issue Price of 6.5% is within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 8.7% and below the mean and median of 7.5% and 7.6%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
- c) The LTM DY implied by the Consideration Unit Issue Price of 6.5% is within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 14.7% and below the mean and median of 7.4% and 7.1%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date.

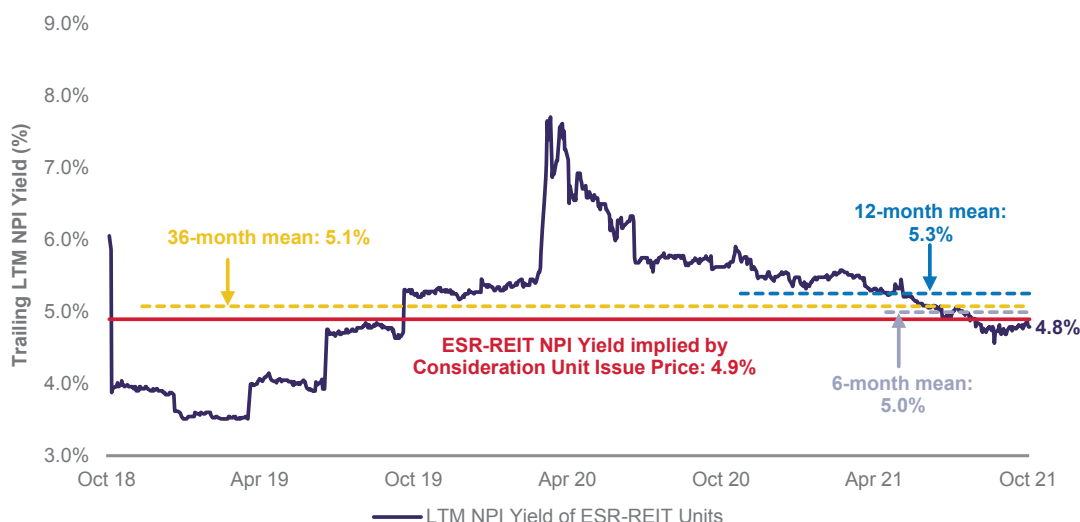
We wish to highlight that the historical trading patterns or performance of the ESR-REIT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.2.5 Trailing LTM Implied NPI Yields of the ESR-REIT Units relative to the LTM Implied NPI Yield implied by the Consideration Unit Issue Price

For the purposes of evaluating the financial terms of the Merger, we have made reference to the LTM Implied NPI Yields of the ESR-REIT Units to evaluate how the LTM Implied NPI Yield implied by the Consideration Unit Issue Price compares to them.

With reference to Chart 4, we have compared the LTM Implied NPI Yield implied by the Consideration Unit Issue Price to the trailing LTM Implied NPI Yields of the ESR-REIT Units over the 36-month period up to and including the Last Undisturbed Trading Date.

Chart 4. Trailing LTM Implied NPI Yields⁽¹⁾ of ESR-REIT over the 36-month period up to the LUTD



Period up to the LUTD	Merger Implied ⁽²⁾	Min	Max	Mean	Median
As at the LUTD (14 October 2021)	4.9%	4.8%	4.8%	4.8%	4.8%
6-month period	4.9%	4.6%	5.4%	5.0%	5.0%
12-month period	4.9%	4.6%	5.9%	5.3%	5.3%
36-month period	4.9%	3.5%	7.7%	5.1%	5.3%

Source: FactSet (Last Undisturbed Trading Date)

(1) Implied NPI Yields are based on the trailing 12-month NPI

(2) Based on the LTM ESR-REIT NPI of S\$170.9m as at 30 June 2021, and the implied EV of ESR-REIT based on the Consideration Unit Issue Price of S\$0.4924

Based on the above, we note that:

- a) The LTM Implied NPI Yield implied by the Consideration Unit Issue Price of 4.9% is within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 4.6% to 5.4% and in line with the mean and median of 5.0%, over the 6-month period up to and including the Last Undisturbed Trading Date;
- b) The LTM Implied NPI Yield implied by the Consideration Unit Issue Price of 4.9% is within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 4.6% to 5.9% and below the mean and median of 5.3%, over the 12-month period up to and including the Last Undisturbed Trading Date; and
- c) The LTM Implied NPI Yield implied by the Consideration Unit Issue Price of 4.9% is within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 3.5% to 7.7% and below the mean and median of 5.1% and 5.3%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of the ESR-REIT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.2.6 Valuation multiples of the Selected Comparable Industrial S-REITs

For the purpose of evaluating the Consideration Unit Issue Price, references were made to SGX-ST listed REITs which are engaged in the business of industrial real estate investments and are considered to be broadly comparable to ESR-REIT to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date of 18 February 2022.

For the purpose of our analyses in this Letter, the Selected Comparable Industrial S-REITs are divided into two categories:

- a) Industrial S-REITs with total asset size of less than S\$3.0 billion ("**Mid-Cap Comparable Industrial S-REITs**"); and
- b) Industrial S-REITs with total asset size of S\$3.0 billion or above ("**Large-Cap Comparable Industrial S-REITs**").

The statistics for the Selected Comparable Industrial S-REITs are based on their closing prices as at the Latest Practicable Date and their latest publicly available financial results.

We have considered the following as key parameters for the comparison of the implied valuation metrics for the Selected Comparable Industrial S-REITs along with certain financial parameters as set out below:

- a) Latest P/NAV;
- b) LTM DY; and
- c) LTM Implied NPI Yield

The summary description of the Selected Comparable Industrial S-REITs we have reviewed for our analysis is set out in Table 7.

Table 7. Brief description of Selected Comparable Industrial S-REITs

Company	Description ⁽¹⁾	Market Cap ⁽²⁾ (S\$m)
Mid-cap Comparable Industrial S-REITs		
AIMS APAC REIT	<ul style="list-style-type: none"> Listed on the Main Board of Singapore Exchange, invests in industrial properties including business parks, light industrial, hi tech and others 26 properties in Singapore and 2 properties in Australia with a total portfolio value of S\$1.7bn 	997
Sabana REIT	<ul style="list-style-type: none"> Invests in income-producing real estate used for industrial purposes, as well as real estate-related assets 18 properties in Singapore with a portfolio value of S\$0.9bn 	481
Large-cap Comparable Industrial S-REITs		
Ascendas REIT	<ul style="list-style-type: none"> Singapore's first and largest listed business space and industrial REIT 207 properties across Singapore, Australia, UK, Europe and USA with a portfolio value of S\$16.0bn 	11,880
Mapletree Logistics Trust	<ul style="list-style-type: none"> Singapore's first Asia Pacific focused logistics REIT 163 properties across Singapore, Hong Kong, Japan, China, Australia, South Korea, Australia, Malaysia, Vietnam and India with a portfolio value of S\$10.8bn 	8,223
Mapletree Industrial Trust	<ul style="list-style-type: none"> Listed on the Main Board of Singapore Exchange focusing on industrial properties and data centres 143 industrial and data centre properties across Singapore and North America with a portfolio value of S\$8.5bn 	6,812
Frasers Logistics and Commercial Trust	<ul style="list-style-type: none"> Invests in properties used for manufacturing, logistics, temperature-controlled warehouses and others 103 properties across UK, Germany, Netherlands, Singapore and Australia with a portfolio value of S\$7.3bn 	5,204

Sources: FactSet (as at the Latest Practicable Date) and company filings

(1) Information based on company filings as at 30 September 2021

(2) Market capitalisation is calculated based on unit prices as at the Latest Practicable Date

Historical trading multiples are related to how a listed entity is perceived by the stock market and subject to market efficiency and rationality, reflect the information relevant to an entity such as its business directions, plans and strategies, expected financial performance, future prospects and potential growth and are susceptible to, amongst other things, the degree of broker coverage of the entity, trading liquidity, investor sentiment and market speculation.

We observe that the Large-Cap Comparable Industrial S-REITs are of larger scale from both a market capitalisation and asset value perspective, as compared to the Mid-Cap Comparable Industrial S-REITs and differ in terms of, *inter alia*, business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. We further note that from a scale perspective, ESR-REIT is more comparable to the Mid-Cap Comparable Industrial S-REITs and is not comparable to the Large-Cap Comparable Industrial S-REITs. As a result, the implied multiples of the Large-Cap Comparable Industrial S-REITs may not be comparable to ESR-REIT and as such, we have not included, as part of our analysis, an assessment of the multiples of ESR-REIT implied by the Consideration Unit Issue Price relative to the Large-Cap Comparable Industrial S-REITs.

Table 8. Selected Comparable Industrial S-REITs

Company	Unit price S\$	Market Cap. S\$m	NAV (S\$m) Latest ⁽¹⁾	DPU (S\$c) LTM ⁽²⁾	P/NAV Latest ⁽¹⁾	DY LTM ⁽²⁾	Implied NPI Yield LTM ⁽³⁾
Mid-Cap Comparable Industrial S-REITs							
AIMS APAC REIT	1.40	997	983	10.0	1.01x	7.1%	5.4%
Sabana REIT	0.45	481	556	3.1	0.87x	6.8%	6.2%
Maximum					1.01x	7.1%	6.2%
Mean					0.94x	7.0%	5.8%
Median					0.94x	7.0%	5.8%
Minimum					0.87x	6.8%	5.4%
Large-Cap Comparable Industrial S-REITs							
Ascendas REIT	2.83	11,880	9,991	15.3	1.19x	5.4%	5.0%
Mapletree Logistics Trust	1.76	8,223	6,391	8.7	1.29x	4.9%	4.5%
Mapletree Industrial Trust	2.56	6,812	4,783	13.6	1.42x	5.3%	4.6%
Frasers Logistics & Comm Trust	1.41	5,204	4,575	7.7	1.14x	5.4%	4.8%
Maximum					1.42x	5.4%	5.0%
Mean					1.26x	5.3%	4.7%
Median					1.24x	5.4%	4.7%
Minimum					1.14x	4.9%	4.5%
ESR-REIT based on issue price of \$0.4924 / unit					1.24x	6.5%	4.9%

Sources: FactSet (as at the Latest Practicable Date), public information

- (1) Reflects latest balance sheet as at the Latest Practicable Date
- (2) Calculated based on the latest declared LTM DPU as at the Latest Practicable Date. LTM DPU is the aggregate of the DPU in the most recent four (4) quarters (if distributions are made quarterly) or the aggregate of the DPU in the most recent two (2) semiannual periods (if distributions are made semiannually). DPU is adjusted to exclude one-off or non-recurring items
- (3) Implied NPI Yield is calculated by dividing the LTM net property income of the respective companies by their enterprise values based on their unit prices and latest balance sheet information as at the Latest Practicable Date

We highlight the following key observations arising from the data presented above:

With respect to the Mid-Cap Comparable Industrial S-REITs:

- (i) The Latest P/NAV multiple of the ESR-REIT Units implied by the Consideration Unit Issue Price of 1.24x is above the range of the P/NAV multiples of the Mid-Cap Comparable Industrial S-REITs of 0.87x and 1.01x, and above the mean and median of 0.94x;
- (ii) The LTM DY of the ESR-REIT Units implied by the Consideration Unit Issue Price of 6.5% is below the range of the LTM DY of the Mid-Cap Industrial S-REITs of 6.8% and 7.1%, and below the mean and median of 7.0%; and
- (iii) The LTM Implied NPI Yield of the ESR-REIT Units implied by the Consideration Unit Issue Price of 4.9% is below the range of the LTM Implied NPI Yield of the Mid-Cap Industrial S-REITs of 5.4% and 6.2%, and below the mean and median of 5.8%.

We recognise, however, that the list of the Selected Comparable Industrial S-REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that are directly comparable to ESR-REIT in terms of business activities, scale of operations, types of products, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Selected Comparable Industrial S-REITs and ESR-REIT may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Selected Comparable Industrial S-REITs is therefore intended to serve as an illustrative guide only.

We wish to further highlight that the underlying financial data used to calculate the valuation multiples in our analysis has been extracted from Bloomberg, FactSet, published financial statements and annual reports and research analyst reports of the Selected Comparable Industrial S-REITs as at the Latest Practicable Date. Rothschild & Co make no representations or warranties, express or implied, on the accuracy or completeness of such information.

12.2.7 Precedent Transactions of Selected S-REIT Mergers

For the purpose of evaluating the Consideration Unit Issue Price, we have also reviewed selected precedent transactions and combinations of S-REITs involving scrip as the primary transaction consideration for which information is publicly available in the five-year period preceding the Latest Practicable Date.

We wish to highlight that there is a lack of true comparable precedent transactions that can be used in our analysis in terms of mergers in the industrial S-REIT segment and between companies of comparable scale to ESR-REIT and ALOG. As such, we have also considered S-REIT mergers across different REIT segments and which involve S-REITs which may be larger than ESR-REIT and ALOG.

We note that the S-REITs set out in Table 9 below may not be directly comparable to ALOG and may vary in terms of, *inter alia*, capital structure, their business activities, market capitalisation, scale of operations, accounting policies, financial performance, future prospects, geographical markets, track record, asset base, risk profile, customer base and other relevant criteria. Accordingly, the Precedent Transactions may not provide a meaningful basis for valuation comparison.

The summary description of the targets we have reviewed for our analysis is set out in Table 9:

Table 9. Brief description of the Precedent Transactions

Target	Announcement date	Description
Mapletree North Asia Commercial Trust (Commercial)	31 Dec 2021	<ul style="list-style-type: none"> Mapletree North Asia Commercial Trust ("MNACT") is the first and only North Asia focused REIT listed in Singapore, with properties in key gateway markets including China, Hong Kong SAR, Japan and South Korea. It owns 13 properties worth c.S\$8.3bn The Merger will be effected by way of a Trust Scheme with Mapletree Commercial Trust ("MCT") acquiring all MNACT Units in exchange for new units in MCT and cash
CapitaLand Commercial Trust (Commercial)	22 Jan 2020	<ul style="list-style-type: none"> CapitaLand Commercial Trust ("CCT") is the first and largest commercial REIT listed in Singapore. It owns nine properties located in Singapore's CBD worth c.S\$11bn and has expanded into Europe The cash and stock merger between CCT and CapitaLand Mall Trust ("CMT") was effected by way of a trust scheme of arrangement and completed in October 2020
Frasers Commercial Trust (Commercial)	2 Dec 2019	<ul style="list-style-type: none"> Frasers Commercial Trust ("FCOT") is a commercial REIT which had six properties in Singapore, Australia and the UK The S\$1.54bn cash and stock merger between Frasers Logistics & Industrial Trust ("FLT") and FCOT by way of a scheme of arrangement was completed in April 2020
Ascendas-HTRUST (Hospitality)	3 Jul 2019	<ul style="list-style-type: none"> Ascendas Htrust's ("A-HTRUST") had a portfolio of 14 hotel properties in Japan, South Korea, Singapore, and Australia The merger was effected by way of a scheme of arrangement, with Ascott Residence Trust ("Ascott REIT") acquiring all the units in A-HTRUST through a cash and stock deal. The merger was completed on 31 December 2019
OUE Hospitality Trust (Hospitality)	8 Apr 2019	<ul style="list-style-type: none"> OUE Hospitality Trust ("OUE-H Trust") invests in hospitality-based properties in Singapore The S\$1.5bn merger was effected by way of a scheme of arrangement, with OUE Commercial Trust ("OUE-CT") acquiring all the units in OUE H-Trust through a cash and stock deal. The merger was completed in September 2019
Viva Industrial Trust (Industrial)	18 May 2018	<ul style="list-style-type: none"> Viva Industrial Trust ("VIT") focuses on a diversified portfolio of income producing real estate assets including business parks and other assets used for other industrial purposes in Singapore and Asia Pacific The merger was effected by way of a scheme of arrangement, with ESR-REIT acquiring all the units in VIT through a cash and stock deal. The merger was completed in October 2018

Sources: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

We have conducted our analysis, as set out in Table 10, on the basis of the premium of each respective acquirers' unit issue price for each of the Precedent Transactions over the acquirers' unit closing price as at the respective last undisturbed trading dates and the 6-month and 12-month VWAPs as implied by the Precedent Transactions relative to those implied by the Consideration Unit Issue Price.

Each transaction must be judged on its own commercial and financial merits. The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors including, *inter alia*, the offeror's intention with regard to the target company, the potential synergies that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Consideration Unit Issue Price with the Precedent Transactions set out below in Table 10 is for illustrative purposes only.

Table 10. Precedent Transactions of S-REITs

Announcement date	Target	Acquirer	Premium / (discount) to closing price as at last trading date	Premium / (discount) to 6M VWAP up to the last trading date	Premium / (discount) to 12M VWAP up to the last trading date
31 Dec 2021	MNACT	MCT ⁽¹⁾	-	(4.8%)	(4.6%)
22 Jan 2020	CCT	CMT ⁽²⁾	-	1.4%	7.2%
2 Dec 2019	FCOT	FLT ⁽³⁾	-	1.8%	5.8%
3 Jul 2019	A-HTRUST	Ascott REIT ⁽⁴⁾	(0.8%)	8.9%	12.8%
8 Apr 2019	OUE H-Trust	OUE-CT ⁽⁵⁾	-	7.7%	4.0%
18 May 2018	VIT	ESR-REIT ⁽⁶⁾	(4.4%)	(4.4%)	(5.6%)
Maximum			-	8.9%	12.8%
Mean			(0.9%)	1.8%	3.3%
Median			-	1.5%	4.9%
Minimum			(4.4%)	(4.8%)	(5.6%)
Premium / (Discount) based on Consideration Unit Issue Price⁽⁷⁾			5.9%	10.1%	14.0%

Sources: FactSet, Bloomberg, Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

- (1) On 31 December 2021, MCT and MNACT jointly announced the proposed merger between MCT and MNACT by way of a trust scheme of arrangement. The scheme consideration as part of the merger is S\$1.1949 per MNACT unit and will be satisfied either by issuing 0.5963 new units in MCT per MNACT unit or (b) a combination of 0.5009 MCT units and S\$0.1912 in cash per MNACT unit. This implies an issue price of S\$2.0039 per MCT Unit and a gross exchange ratio of 0.5963x. The premia is calculated based on the closing price and the 6M and 12M VWAPs of the MCT units up to the last full market trading day prior to the joint announcement (27 December 2021) of S\$2.0039, S\$2.1047 and S\$2.1005, respectively and the issue price of S\$2.0039 per MCT unit
- (2) On 22 January 2020, CMT and CCT jointly announced the proposed merger between CMT and CCT by way of a trust scheme of arrangement. The scheme consideration as part of the merger is S\$2.1238 per CCT unit and will be satisfied via a cash consideration of S\$0.259 per CCT unit and the issuance of 0.720 new CMT units at an issue price of S\$2.59 per CMT unit. The premia is calculated based on the closing price and the 6M and 12M VWAPs of the CMT units up to the last full market trading day prior to the joint announcement (21 January 2020) of S\$2.590, S\$2.555 and S\$2.417, respectively and the issue price of S\$2.590 per CMT unit. On 21 October 2020, it was announced that the trust scheme had become effective and binding
- (3) On 2 December 2019, FLT and FCOT jointly announced the proposed merger of FLT and FCOT by way of a trust scheme of arrangement. The scheme consideration as part of the merger is S\$1.680 per FCOT unit and will be satisfied via a cash consideration of S\$0.151 per FCOT unit and the issuance of 1.233 new FLT units at an issue price of S\$1.240 per FLT unit. The premia is calculated based on the closing price and the 6M and 12M VWAPs of the FLT units up to the last full market trading day prior to the joint announcement (27 November 2019) of S\$1.240, S\$1.218 and S\$1.172, respectively and the issue price of S\$1.240 per FLT unit. On 15 April 2020, it was announced that the trust scheme had become effective and binding
- (4) On 3 July 2019, Ascott REIT and A-HTRUST jointly announced the proposed merger of Ascott REIT and A-HTRUST by way of a trust scheme of arrangement. The scheme consideration as part of the merger is S\$1.0868 per A-HTRUST unit and will be satisfied via a cash consideration of S\$0.0543 per stapled unit in A-HTRUST and the issuance of 0.7942 units in a stapled Ascott REIT and Ascott Business Trust issued at a price of S\$1.30 each. The premia is calculated based on the closing price and the 6M and 12M VWAPs of Ascott REIT up to and including the last undisturbed trading date (2 July 2019) of S\$1.310, S\$1.194 and S\$1.152, respectively and the issue price of S\$1.30 per Ascott REIT unit. On 19 December 2019, it was announced that the trust scheme had become effective and binding
- (5) On 8 April 2019, OUE-CT and OUE H-Trust jointly announced the proposed merger of OUE-CT and OUE H-Trust by way of a trust scheme of arrangement. The scheme consideration as part of the merger will be satisfied via a cash consideration of S\$0.04075 per stapled unit in OUE H-Trust and the issuance of 1.3583 OUE-CT units issued at an illustrative issue price of S\$0.520 each. The premia is calculated based on the closing price and the 6M and 12M VWAPs of OUE-CT up to and including the last undisturbed trading date (5 April 2019) of S\$0.520, S\$0.483 and S\$0.500, respectively and the illustrative issue price of S\$0.520 per OUE-CT unit. On 4 September 2019, it was announced that the trust scheme had become effective and binding

- (6) On 18 May 2018, ESR-REIT and VIT jointly announced the proposed merger of ESR-REIT and VIT by way of a trust scheme of arrangement. The scheme consideration as part of the merger will be satisfied via a cash consideration for each VIT unit of S\$0.096 and the issuance of new ESR-REIT units at an issue price of S\$0.540 per unit. The premia is calculated based on the closing price and the 6M and 12M VWAPs of ESR-REIT up to and including the last full and undisturbed market trading day (25 Jan 2018) of S\$0.565, S\$0.565 and S\$0.572 and the issue price of S\$0.540 per ESR-REIT unit. On 15 October 2018, it was announced that the trust scheme had become effective and binding
- (7) Premia is calculated based on the Consideration Unit Issue Price and the closing price and the 6M and 12M VWAPs of ESR-REIT up to and including the Last Undisturbed Trading Date (14 October 2021).

We highlight the following key observations arising from the data presented above:

- a) The premium of 5.9% implied by the Consideration Unit Issue Price over the closing price of ESR-REIT as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of (4.4)% to 0.0% and is above the mean and median of (0.9)% and 0.0%, respectively;
- b) The premium of 10.1% implied by the Consideration Unit Issue Price over the 6-month VWAP of ESR-REIT up to and including the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of (4.8)% to 8.9% and above the mean and median of 1.8% and 1.5%, respectively; and
- c) The premium of 14.0% implied by the Consideration Unit Issue Price over the 12-month VWAP of ESR-REIT up to and including the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of (5.6)% to 12.8% and above the mean and median of 3.3% and 4.9%, respectively.

12.3 Evaluation of the Scheme Consideration

12.3.1 Liquidity Analysis of the ALOG Units

In general, share prices may be affected by various factors including free float, relative liquidity and investor interest or market sentiment at a given point in time. We have considered the liquidity and free float of ALOG relative to the 30 constituents of the STI traded on SGX-ST in Singapore based on market capitalisation as at the Last Undisturbed Trading Date of 14 October 2021, in order to evaluate whether the historical market prices of the ALOG Units provide a meaningful benchmark and reference point for comparison with the Scheme Consideration.

Table 11. Liquidity analysis of ALOG and the Top 30 STI Companies

Company	Market cap	Latest NOSH ⁽¹⁾	Free float ⁽²⁾	Avg daily vol ⁽³⁾	Avg daily vol / Free float ⁽³⁾	Avg daily vol / NOSH ⁽³⁾	Avg daily val / Market cap ⁽⁴⁾	No. of brokers covering
	(\$m)	(m)	(%)	(m)	(%)	(%)	(%)	(#)
DBS Group Holdings Ltd	78,715	2,588	70.0%	4.56	0.25%	0.18%	0.16%	19
Oversea-Chinese Banking Corporation Limited	53,635	4,515	72.6%	5.80	0.18%	0.13%	0.12%	19
United Overseas Bank Ltd. (Singapore)	44,846	1,686	75.0%	2.75	0.22%	0.16%	0.15%	19
Singapore Telecommunications Limited	41,452	16,515	40.8%	30.47	0.45%	0.18%	0.17%	18
Jardine Matheson Holdings Limited	39,987	722	28.3%	0.32	0.16%	0.04%	0.05%	6
Wilmar International Limited	28,111	6,403	29.3%	8.21	0.44%	0.13%	0.14%	12
Capitaland Investment Ltd	17,899	5,203	99.9%	14.88	0.29%	0.29%	0.28%	9
Thai Beverage Public Co., Ltd	17,834	25,119	28.7%	28.55	0.40%	0.11%	0.11%	17
Singapore Airlines Ltd	16,525	2,978	43.8%	8.67	0.66%	0.29%	0.25%	12
Capitaland Integrated Commercial Trust	13,734	6,479	100.0%	19.28	0.30%	0.30%	0.29%	13
Ascendas Real Estate Investment Trust	12,711	4,195	100.0%	13.09	0.31%	0.31%	0.31%	15
Singapore Technologies Engineering Ltd	12,240	3,122	48.1%	4.10	0.27%	0.13%	0.13%	12
Hongkong Land Holdings Limited	11,502	2,324	49.5%	2.20	0.19%	0.09%	0.09%	10
Singapore Exchange Ltd	10,288	1,072	76.1%	3.15	0.39%	0.29%	0.31%	15
Keppel Corporation Limited	9,849	1,821	78.0%	3.82	0.27%	0.21%	0.20%	12
Genting Singapore Limited	9,433	12,094	47.0%	28.46	0.50%	0.24%	0.25%	16
Jardine Cycle & Carriage Limited	9,347	395	24.2%	0.60	0.63%	0.15%	0.13%	3
Mapletree Logistics Trust	8,550	4,297	66.8%	12.21	0.43%	0.28%	0.29%	13
Mapletree Industrial Trust	7,314	2,660	75.6%	7.60	0.38%	0.29%	0.30%	14
Mapletree Commercial Trust	7,074	3,321	65.7%	8.24	0.38%	0.25%	0.24%	14
City Developments Ltd	6,729	909	53.1%	2.65	0.55%	0.29%	0.29%	16
UOL Group Ltd	6,104	844	54.7%	1.11	0.24%	0.13%	0.13%	9
Yangzijiang Shipbuilding (Holdings) Ltd	5,524	3,974	57.4%	34.06	1.49%	0.86%	0.77%	8
Frasers Logistics & Commercial Trust	5,551	3,676	75.8%	10.34	0.37%	0.28%	0.27%	10
Venture Corporation Ltd	5,402	292	91.2%	1.06	0.40%	0.36%	0.38%	14
SATS Ltd	4,901	1,124	56.5%	2.75	0.43%	0.24%	0.23%	7
Dairy Farm International Holdings Ltd	4,762	1,353	22.2%	1.16	0.38%	0.09%	0.10%	9
Keppel DC Real Estate Investment Trust	4,098	1,715	80.9%	6.44	0.46%	0.38%	0.42%	12
Sembcorp Industries Ltd	3,468	1,788	49.9%	5.19	0.58%	0.29%	0.28%	9
ComfortDelGro Corporation Ltd	3,425	2,167	98.7%	12.45	0.58%	0.57%	0.59%	12
Maximum	78,715	25,119	100.0%	34.06	1.49%	0.86%	0.77%	19
Mean	16,700	4,178	62.0%	9.47	0.42%	0.25%	0.25%	12
Median	9,641	2,624	61.6%	6.12	0.39%	0.25%	0.25%	12
Minimum	3,425	292	22.2%	0.32	0.16%	0.04%	0.05%	3
ARA LOGOS Logistics Trust	1,356	1,450	86.9%	3.91	0.31%	0.27%	0.22%	4

Source: FactSet (as at the Last Undisturbed Trading Date)

- (1) Number of shares outstanding based on FactSet as at the Last Undisturbed Trading Date
- (2) Free float percentages as based on FactSet as at the Last Undisturbed Trading Date
- (3) Average daily trading volume is computed as the 12-month average of daily trading volumes up to the Last Undisturbed Trading Date
- (4) Average daily trading value is computed as the average VWAP over the 12-month period up to and including the Last Undisturbed Trading Date multiplied by the average daily trading volume for the respective companies

With respect to Table 11 above, we note the following observations in respect to the ALOG Units:

- a) In the 12-month period leading up to and including the Last Undisturbed Trading Date, ALOG's average daily trading volume represented 0.31% of its free float. These values are within the ranges of 0.16% to 1.49% and below the mean and median of 0.42% and 0.39%, respectively, as represented by the Top 30 STI Companies; and
- b)
- c) In the 12-month period leading up to and including the Last Undisturbed Trading Date, ALOG's average daily trading value represented 0.22% of its market capitalisation. These values are within the ranges of 0.05% to 0.77% and above the mean and median of 0.25%, as represented by the Top 30 STI Companies.

This suggests that the ALOG Units did not suffer from illiquid trading conditions in the 12-month period up to and including the Last Undisturbed Trading Date.

Based on our analysis of the average daily trading volume relative to the Top 30 STI Companies, it appears that there is reasonable liquidity in the ALOG Units. This suggests that the market prices of the ALOG Units should generally reflect the fundamental, market-based value of the ALOG Units.

We wish to highlight that the above analysis of the historical trading liquidity of the ALOG Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the ALOG Units, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

12.3.2 Market Prices and Trading Activity of the ALOG Units

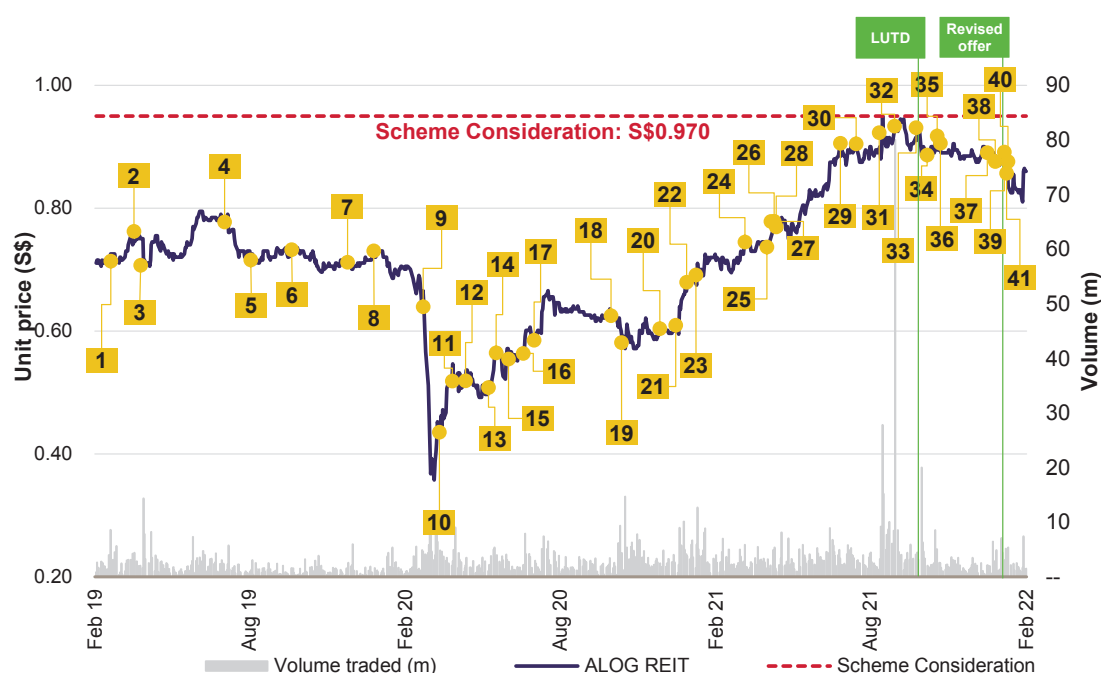
In evaluating the fairness of the Scheme Consideration from a market price perspective, we have compared the Scheme Consideration to the historical share price performance of the ALOG Units over different observation periods.

We set out in Chart 5 below the daily closing prices and trading volume of the ALOG Units for the 36-month period up to the Latest Practicable Date of 18 February 2022.

We note the following:

- a) The closing prices of the ALOG Units have traded between S\$0.36 and S\$0.95 per ALOG Unit in the 36-month period up to the Latest Practicable Date based on the daily closing prices; and
- b) From the WHO Announcement Date up to the Latest Practicable Date, the closing prices of the ALOG Units have traded between S\$0.36 and S\$0.95 per ALOG Unit based on the daily closing prices
- c) The Scheme Consideration represents a premium of 143.6% above the lowest transacted price of S\$0.36 and is in line with the highest transacted price of S\$0.95 per ALOG Unit.

Chart 5 ALOG Unit price performance over the 36-month period up to the Latest Practicable Date



Sources: Company filings on the SGX-ST and FactSet (as at the Latest Practicable Date)

A summary of the salient announcements made by ALOG (formerly known as Cache Logistics Trust) and the key market events which occurred during the period between the 36-months prior up to the Latest Practicable Date are set out below:

No.	Date	Event
(1)	20 March 2019	The Cache Logistics Trust Manager announced the acquisition of a single-story logistics warehouse and office facility located at 182-198 17 Maidstone Street, Altona, Victoria, Australia from AGIT Investment Pty. Ltd. The purchase consideration of the property is A\$41.2 million with an initial property yield of 6.8%.
(2)	16 April 2019	The Straits Times reported that CWT Pte. Limited, a major tenant of Cache, was at risk of default as their parent – Hong Kong-listed CWT International, missed interest and fee payments to lenders of HK\$63 million (S\$10.9 million), triggering a cross default under a HK\$1.4 billion loan facility. Outstanding amounts under the facility stands at HK\$766 million. Cache clarified that CWT Pte. Limited has not defaulted in its rental payments under the various lease agreements and there were no arrears due at the date of announcement.
(3)	25 April 2019	Cache Logistics Trust Manager announced a Distributable Income of S\$16.3 million for the period 1 January 2019 to 31 March 2019 (1Q FY2019). DPU for 1Q FY2019 was 1.513 Singapore cents which was 0.4% higher than the DPU for 1Q FY2018 of 1.507 Singapore cents. Gross revenue for 1Q FY2019 grew 6.2% year-on-year to S\$30.8 million and NPI increased by 4.0% to S\$23.8 million as compared to 1Q FY2018. The increase in gross revenue was mainly due to higher contributions from the 9-property Australia portfolio acquired in February 2018 as well as the conversion of CWT Commodity Hub from master lease to a multi-tenancy lease structure.

No.	Date	Event
(4)	25 July 2019	The Cache Logistics Trust Manager announced a Distributable Income of S\$14.3 million and DPU of 1.321 Singapore cents for the period 1 April 2019 to 30 June 2019 (2Q FY2019). 2Q FY2019 gross revenue year-on-year decreased to S\$27.8 million, mainly attributed to the conversion from a master lease to a multi-tenancy lease structure at Cache Gul LogisCentre (formerly known as Precise Two), absence of contribution from 40 Alps Ave and Jinshan Chemical Warehouse which were divested in 2018, and transitory downtime between replacement tenants in Commodity Hub during the quarter. This was partially offset by the contribution from the newly acquired warehouse located in Altona, Victoria, Australia in April 2019.
(5)	2 September 2019	The Cache Logistics Trust Manager announced that it had successfully completed documentation with a new major tenant to lease over 300,000 square feet of space in Commodity Hub located at 24 Penjuru Road, Singapore. The new tenant is an established global technology, defence and engineering company headquartered in Singapore.
(6)	25 October 2019	The Cache Logistics Trust Manager announced a Distributable Income of S\$14.2 million and DPU 1.313 Singapore cents for the period 1 July 2019 to 30 September 2019 (3Q FY2019). This represented a decrease of 10.4% and 11.0% respectively compared to the previous quarter. Gross revenue for 3Q FY2019 decreased year-on-year to S\$27.7 million, mainly attributed to the lower revenue from the conversion of Cache Gul LogisCentre from the previous master lease to a multitenancy structure in April 2019, transitory downtime between replacement tenants in Commodity Hub, expired leases at certain properties, absence of contribution from the divested Jinshan Chemical Warehouse and a weaker Australian dollar. This was partially offset by rental contribution from the warehouse in Altona, Victoria, Australia that was acquired in April 2019.
(7)	12 December 2019	The Cache Logistics Trust Manager announced that they had been informed by ARA Asset Management Limited ("ARA"), the indirect shareholder of the Cache Logistics Trust Manager, that ARA, via its subsidiary, ARA Logistics Partners Limited had entered into a strategic transaction with the LOGOS Group to establish a best-in-class logistics real estate development and investment management partnership in the Asia Pacific region. As part of the transaction, the ARA Group will transfer its entire holdings in both Cache and the Cache Logistics Trust Manager to the LOGOS Group. Upon completion, ARA will retain control of the Cache Logistics Trust Manager through LOGOS.
(8)	23 January 2020	The Cache Logistics Trust Manager announced a Distributable Income of S\$14.9 million and DPU of 1.376 Singapore cents for the period 1 October 2019 to 31 December 2019 (4Q FY2019). 4Q FY2019 gross revenue decreased by 1.9% to S\$27.2 million and NPI decreased by 3.1% to S\$20.5 million as compared to 3Q FY2019. Gross revenue for the year ending 31 December 2019 (FY 2019) decreased by 6.6% to S\$113.6 million as compared to S\$121.5 million in FY 2018. The decrease was primarily due to the conversion of Commodity Hub and Cache Gul LogisCentre from master lease to multi-tenancy lease structures, transitory vacancy downtime between leases, lower signing rents for leases as compared to the previous leases, absence of contribution from the divested 40 Alps Ave and Jinshan Chemical Warehouse in 2018 and a weaker Australian dollar. This was partially offset by additional rental contribution from the warehouse in Altona, Victoria, Australia and a full year contribution from the 9-property Australia portfolio acquired in February 2018. NPI for FY 2019 was at S\$85.8 million, 5.6% lower from S\$90.9 million in FY 2018.
(9)	11 March 2020	The WHO declared Covid-19 as a pandemic. The outbreak of Covid-19 had resulted in the worst crash across global stock markets since 2008. The S&P 500 fell by 7.6%, the Dow Jones Industrial Average declined over 2,000 points to drop by 7.8% and oil prices declined by 24%.
(10)	3 April 2020	Singaporean Prime Minister Lee Hsien Loong announced the Circuit Breaker, as a measure to minimise the spread of Covid-19 in Singapore. It was announced that from 7 April 2020 to 4 May 2020 (inclusive), Singapore will move towards full home-based learning for schools and move work and business to be carried out via telecommuting, except for those in essential services.

No.	Date	Event
(11)	21 April 2020	Singaporean Prime Minister Lee Hsien Loong announced the extension of the Circuit Breaker period by another 4 weeks until 1 June 2020 (inclusive) as well as tighter measures to be introduced during the Circuit Breaker period, to further reduce the transmission of Covid-19.
(12)	28 April 2020	The Cache Logistics Trust Manager announced the official renaming of Cache to ALOG Logistics Trust with effect from 28 April 2020.
(13)	19 May 2020	Singaporean Prime Minister Lee Hsien Loong announced plans to reopen the Singapore economy in three phases, starting with Phase 1 on 2 June 2020. Activities that do not pose high risk of transmission will be allowed to resume first, but social, economic and entertainment activities that carry higher risk must remain closed.
(14)	3 June 2020	ALOG held its tenth annual general meeting during which they provided an interim update on their financial performance for the period 1 January 2020 to 31 March 2020 (1Q FY2020). Gross revenue was S\$27.2 million in 1Q FY2020 which represented a 5.8% increase compared to S\$28.8 million in 4Q FY2019. DPU decreased to 1.226 Singapore cents in 1Q FY2020 from 1.376 Singapore cents in 4Q FY 2019.
(15)	15 June 2020	The Multi-Ministry Taskforce announced that Singapore will move into Phase 2 on 19 June 2020 as infection rates have remained stable, cases in migrant worker dormitories have declined and there are no new large clusters emerging. A wider scope of activities will be allowed to resume, while maintaining safe distancing measures, but activities where many people will come into close contact for long period of time will take more time to resume. All employers to ensure telecommuting by default, where possible.
(16)	7 July 2020	The ALOG Manager announced the retirement of Mr Daniel Cerf and the appointment of Ms Karen Lee Kiah Ling as Chief Executive Officer of the ALOG Manager. Mr Daniel Cerf will serve up to and including 14 August 2020 and Ms Karen Lee will take over the roles and responsibilities as the new Chief Executive Officer of the ALOG Manager with effect from 15 August 2020.
(17)	28 July 2020	The ALOG Manager announced a Distributable Income of S\$25.3 million for the period 1 January 2020 to 30 June 2020 (1H FY2020"). DPU for 1H FY20 was 2.323 cents, of which DPU of 1.326 cents for the period 1 April 2020 to 30 June 2020 (2Q FY20) was paid to unitholders of Cache on 28 August 2020. In 2Q FY2020, ALOG registered a higher Gross Revenue and NPI of S\$29.0 million and S\$21.9 million, rising 4.3% and 7.0% respectively compared to 2Q FY2019. The improved performance was underpinned by higher revenue generated from the commencement of new leases for certain properties during the quarter. 2Q FY2020 NPI was 0.6% lower at S\$21.9 million from S\$22.0 million in 1Q FY20 mainly due to higher property expenses incurred during the period.
(18)	26 October 2020	The ALOG Manager announced the proposed acquisitions from LOGOS Property Group Limited's managed ventures, which includes (i) the acquisition of five logistics properties located in Brisbane, Australia, including a development asset, Corner Heron Drive and Curlew Street, Port of Brisbane, which will have an approximate purchase consideration of S\$225.9 million and (ii) the fund investment in 49.5% interest in the New LAIVS Trust and 40.0% interest in the Oxford Property Fund, which had a combined portfolio of five logistics properties in New South Wales and Victoria, Australia, for a consideration amount of approximately S\$178.5 million. On the same day, ALOG also announced a Distributable Income of S\$16.0 million for the period 1 July 2020 to 30 September 2020 (3Q FY2020). DPU for 3Q FY2020 was 1.461 cents and will be paid to Unitholders on 27 November 2020. Year-on-year, ALOG reported a stronger performance where Gross Revenue and NPI saw an increase of 6.5% and 8.3% to S\$29.5 million and S\$22.9 million respectively compared to 3Q FY2019.
(19)	2 November 2020	The ALOG Manager announced the proposed issue of 90,948,000 new units at an issue price of S\$0.5525 per new unit to raise gross proceeds of approximately S\$50.0 million. This represented a 7.2% premium to ALOG's volume weighted average price of S\$0.5952 per unit on 30 October 2020.
(20)	23 December 2020	The ALOG Manager proposed a pro rata and non-renounceable preferential offering of 91,112,930 new units to eligible unitholders at an issue price of S\$0.5525 per new unit to raise gross proceeds of approximately S\$50 million. The preferential offering issue price represents a discount of approximately 8.0% to the VWAP of S\$0.6008 per unit of all trades in the units on the SGX-ST for the preceding market day on 22 December 2020, up to the time the preferential offering is announced.

No.	Date	Event
(21)	7 January 2021	UOB Kay Hian re-initiated coverage on ALOG Logistics Trust with a "buy" recommendation and target price (TP) of S\$0.85, as it deemed the counter a laggard play with an attractive yield spread over the next two years.
(22)	25 January 2021	The ALOG Manager announced that the completion of the preferential offering launched on 23 December 2020, pursuant to which 91,112,930 preferential offering units were issued at the issue price of S\$0.5525 bringing the total number of units in issue to 1,274,397,747.
(23)	26 January 2021	The ALOG Manager announced a Distributable Income of S\$33.5 million for the period 1 July 2020 to 31 December 2020 (2H FY2020). DPU for 2H FY2020 was 2.927 Singapore cents. Year-on-year, ALOG reported a stronger performance where FY2020 Gross Revenue and NPI saw an increase of 3.4% and 4.8% to S\$117.4 million and S\$90.0 million respectively as compared to S\$113.6 million and S\$85.8 million in FY2019. This was due to the commencement of new leases at certain properties as well as additional revenue from DHL Supply Chain ARC, partially offset by transitory downtime between leases at Pandan Logistics Hub and ALOG Cold Centre and the lease expiry at 11-19 Kellar Street, Berrinba. FY2020 DPU was 4.9% lower at 5.250 cents as compared to FY2019 on the back of one-off distributions in FY2019 and an enlarged unit base due to the private placement in November 2020 and preferential offering on 25 January 2021 to fund the acquisitions and investments. On a like-for-like basis, excluding capital and one-off distributions, DPU would have been 8.8% higher y-o-y.
(24)	31 March 2021	The ALOG Manager announced that announced the resignation of Mr Chia Nam Toon as Non-Executive Director of the ALOG Manager with effect from 31 March 2021.
(25)	16 April 2021	ALOG completed the proposed Larapinta property acquisition and fund investments as announced in October 2020. ALOG now owns (i) the logistics property located at 47 Logistics Place, Larapinta, Queensland, (ii) 49.5% interest in the New LAIVS Trust and (iii) 40.0% interest in the Oxford Property Fund.
(26)	22 April 2021	The ALOG Manager announced that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of ALOG had entered into a sale and purchase agreement with PGI Holdings Pte Ltd for the sale of ALOG Changi DistriCentre 2, 3 Changi South Street 3, Singapore at a sale consideration of S\$16.7 million. The proposed sale consideration was approximately 7.7% above the S\$15.5 million valuation conducted by CBRE Pte. Ltd. as at 31 December 2020.
(27)	23 April 2021	The ALOG Manager announced a Distributable Income of S\$17.3 million for the period 1 January 2021 to 31 March 2021 (1Q FY2021). The DPU for 1Q FY2021 was 1.353 Singapore cents. In comparison to 1Q FY2020, Gross Revenue and NPI for 1Q FY2021 rose 8.2% and 8.7% y-o-y to S\$31.1 million and S\$23.9 million respectively, underpinned by stronger portfolio performance due to the commencement of new leases at several properties as well as higher revenue generated from the Australia portfolio on the back of the strengthening Australia dollar. 1Q FY2021 DPU also improved significantly by 35.7% to 1.353 cents as compared to 0.997 cents in 1Q FY2020 partly due to the retention of S\$2.5 million distributable income in 1Q FY2020. On a like-for-like basis, excluding capital distributions in this quarter and including the S\$2.5 million retained distributable income in 1Q FY2020, DPU would also have been 6.6% higher year-on-year.
(28)	26 April 2021	The ALOG Manager announced that they had on 25 April 2021 entered into a sale and purchase agreement with 1835 Capital Pty Ltd for the sale of 404-450 Findon Road, Kidman Park, South Australia, Australia at a proposed sale consideration of A\$41.5 million (approximately S\$42.6 million). The proposed sale consideration is approximately 3.8% above the A\$40.0 million (S\$40.7 million) valuation conducted by CBRE Valuations Pty Limited as at 31 December 2020.

No.	Date	Event
(29)	22 July 2021	The ALOG Manager announced a Distributable Income of S\$34.6 million for the period 1 January 2021 to 30 June 2021 (1H FY2021). This translated into a DPU of 2.570 Singapore cents for 1H FY2021. Gross Revenue and NPI for 1H FY2021 rose by 15.2% and 17.1% y-o-y to S\$66.6 million and S\$51.4 million respectively, underpinned by incremental revenue generated from the recently completed Australian portfolio acquisition, stronger portfolio performance as well as appreciation of the Australian dollar. Distributable income for 1H FY2021 was S\$34.6 million, up 36.6% year-on-year, mainly due to a higher NPI and contribution from ALOG's investments in the New LAIVS Trust and Oxford Property Fund respectively. 1H FY2021 DPU also grew by 10.6% to 2.570 cents as compared to 2.323 cents in 1H FY2020 despite the enlarged unit base due to the issuance of new units in relation to the maiden Australian portfolio acquisition from its Sponsor, LOGOS. On a like-for-like basis, adjusting for the S\$2.0 million retained distributable income in 1H FY2020 and the S\$0.6 million capital distribution in 1H FY2021, DPU would have been 0.7% higher year-on-year.
(30)	4 August 2021	The ALOG Manager announced that it has been informed by ARA, the shareholder of the ALOG Manager, that ARA has entered into an acquisition agreement in relation to a business combination of the ARA Group with ESR Cayman Limited. The ALOG Manager highlighted that according to ESR Cayman's announcement, ESR Cayman indirectly owns (a) approximately 67% of ESR Funds Management (S) Limited, the manager of ESR-REIT, and (b) 100% of Sabana Real Estate Investment Management Pte. Ltd., the manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust. Upon completion of the acquisition, in addition to these two managers, ESR will also indirectly own 100% of the ALOG Manager. ESR also stated that they will work with the boards of directors of each of the managers to address and resolve any potential conflict of interests that may arise from ESR Cayman's ownership of the managers of the abovementioned REITs with overlapping investment mandates.
(31)	2 September 2021	The ALOG Manager announced that ALOG will be included in the FTSE EPRA Nareit Global Developed Index with effect from 20 September 2021.
(32)	23 September 2021	The ALOG Manager announced the appointment of Ms Low Mei Mei, Maureen as Company Secretary of the ALOG Manager and the resignation of Ms Yeoh Kar Choo Sharon as Company Secretary of the ALOG Manager with effect from 23 September 2021.
(33)	15 October 2021	Joint Announcement Date – The ESR-REIT Manager and the ALOG Manager jointly announced the proposed merger of ESR-REIT and ALOG effected through the acquisition by ESR-REIT Trustee of all the units of ALOG, in exchange for cash and units in ESR-REIT, by way of a trust scheme of arrangement in compliance with the Code.
(34)	21 October 2021	<p>The ALOG Manager announced that it has received notification from its Chairman and Non-Executive Director, Mr Lim How Teck, in relation to the announcement (the "REC Announcement") by Raffles Education Corporation Limited ("REC") dated 21 October 2021 on a joint investigation by the Monetary Authority of Singapore and the Commercial Affairs Department. As stated in the REC Announcement, Mr Lim together with certain individuals including current directors of REC are being investigated for a potential offence under Section 203 of the Securities and Futures Act. Investigations are currently ongoing and none of the individuals including Mr Lim have been placed on bail, arrested or charged for any offence.</p> <p>The ALOG Manager informed that the matter above is not related to the ALOG Manager, ALOG and the business and operations of the ALOG Manager and ALOG are not affected by the investigation. As at the date of the announcement, the board of directors of ALOG Manager has no reason to believe that the investigation will affect the professional ability of Mr Lim to discharge his duties and responsibilities as Chairman and Non-Executive Director of ALOG.</p>

No.	Date	Event
(35)	26 October 2021	<p>ALOG announced a distribution of 1.329 cents per unit for the period from 1 July 2021 to 30 September 2021 comprising a taxable income component of 0.847 cents, a tax-exempt income component of 0.424 cents per unit and a capital component of 0.058 cents per unit.</p> <p>The ALOG Manager announced that 2,005,136 units in ALOG has been issued to the ALOG Manager at an issue price of S\$0.9358 per unit. The ALOG Manager has directed such units to be issued in favour of LOGOS Units No. 1 Ltd instead of ARA LOGOS Logistics Trust Management Limited. Both the ALOG Manager and LOGOS Units No. 1 Ltd are wholly owned subsidiaries of LOGOS Property Group Limited. The 2,005,136 units were issued to the ALOG Manager pursuant to the trust deed constituting ALOG dated as partial payment of the Base Fee (as defined in the trust deed) for the period from 1 July 2021 to 30 September 2021.</p>
(36)	3 November 2021	The ALOG Manager announced that the ordinary resolutions to approve, inter alia, the Proposed ARA Acquisition were duly passed by the shareholders of the Sponsor at the extraordinary general meeting of the Sponsor held on 3 November 2021.
(37)	11 January 2022	<p>The ALOG Manager announced that the trust has completed the acquisition of the development asset at Corner Heron Drive and Curlew Street, Port of Brisbane, Queensland, which shall now be known as 21 Curlew Street, Port of Brisbane.</p> <p>In connection with the completed acquisition, a total of 691,439 units in ALOG will be issued to the ALOG Manager on 12 January 2022 at an issue price of S\$0.8880 as payment of the acquisition fee of approximately S\$0.61 million (being 1.0% of the purchase consideration of the properties).</p>
(38)	18 January 2022	In response to an article published by The Business Times on 17 January 2022 which quoted a proxy advisory, Institutional Shareholder Services, as raising concerns over valuation and the conduct of the sale process in relating to the Merger, the ALOG Manager released an announcement addressing concerns raised by the article.
(39)	20 January 2022	The ALOG Manager announced the completion of the acquisition of ARA by ESR Cayman Limited.
(40)	22 January 2022	Revised Joint Announcement – On 22 January 2022, the respective boards of directors of the ESR-REIT Manager and the ALOG Manager issued the Revised Joint Announcement in relation to, inter alia, the revision of the Scheme Consideration payable to the ALOG Unitholders pursuant to the Merger and the Scheme.
(41)	25 January 2022	<p>ALOG releases its interim financial results for the financial period ended 31 December 2021.</p> <p>ALOG announces a distribution of 1.135 cents per unit for the period from 1 October 2021 to 31 December 2021 comprising a taxable income component of 0.730 cents per units, a tax-exempt income component of 0.359 cents per unit and a capital component of 0.046 cents per unit.</p>

We note that there is no assurance that the price of the ALOG Units will remain at current levels in the event that the Merger is terminated. We also wish to highlight that the historical trading performance of the ALOG Units serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the ALOG Units, which will be governed by amongst other factors such as, *inter alia*, the performance and prospects of the Enlarged Trust, prevailing economic conditions, economic outlook, market conditions and sentiments.

We further wish to highlight that underlying financial data used in our analysis has been extracted from announcements released by ALOG on the SGX-ST and various press releases as at the Latest Practicable Date. We make no representations or warranties, express or implied, on the accuracy or completeness of such information.

Historical VWAPs of the ALOG Units

We set out in Table 12 below the historical VWAPs of the ALOG Units for various reference periods up to and including the Last Undisturbed Trading Date and the Latest Practicable Date, respectively.

Table 12. Historical share price and trading volume (ALOG)

Reference period	Evaluation of the Scheme Consideration (S\$0.970 per ALOG Unit)						
	Price basis	ADTV ('000s) ⁽¹⁾	ADTV / free float (%) ⁽²⁾	Lowest price (S\$)	Highest price (S\$)	VWAP (S\$) ⁽³⁾	Premium / (discount) to price basis (%)
A) Periods up to and including the Last Undisturbed Trading Date (14 October 2021)							
LUTD (14 October 2021)	Closing price	3,189	0.25	0.935	0.935	0.929	3.7 ⁽⁴⁾
Last 1 month	VWAP	7,405	0.59	0.895	0.945	0.928	4.5
Last 3 months	VWAP	5,582	0.44	0.870	0.950	0.914	6.2
Last 6 months	VWAP	4,383	0.35	0.735	0.950	0.876	10.7
Last 12 months	VWAP	3,921	0.31	0.571	0.950	0.780	24.4
B) Period from the Joint Announcement Date up to the Latest Practicable Date (15 October 2021 to 18 February 2022)							
From the Joint Announcement Date up to the Latest Practicable Date	VWAP	2,590	0.21	0.810	0.935	0.883	9.9
From the Joint Announcement Date up to the Revised Joint announcement date	VWAP	2,601	0.21	0.870	0.935	0.891	8.8
From the Revised Joint Announcement Date up to the Last Practicable Date	VWAP	2,641	0.21	0.810	0.895	0.853	13.7
As at the Latest Practicable Date	Closing price	1,506	0.12	0.860	0.860	0.853	12.8 ⁽⁴⁾

Sources: FactSet, Bloomberg

- (1) The average daily trading volume of the ALOG Units is calculated as the average of the daily trading volumes of the ALOG Units for each of the relevant periods
- (2) Free float is based on FactSet and refers to the number of ALOG Units that are available to the public
- (3) The VWAP is weighted based on the volume of the ALOG Units traded and transacted prices of the ALOG Units for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustments to unit prices have been made for dividends, bonus issues or other corporate transactions in each respective reference period
- (4) Based on the closing price of S\$0.935 and S\$0.860 on the LUTD and Latest Practicable Date respectively

Based on the above table, we note that:

(A) Periods up to and including the Last Undisturbed Trading Date (14 October 2021):

- (i) The Scheme Consideration of S\$0.970 represents a premium of 3.7% to the closing price of the ALOG Units on the Last Undisturbed Trading Date of S\$0.935;
- (ii) The Scheme Consideration of S\$0.970 represents a premium of 4.5%, 6.2%, 10.7% and 24.4% to the 1-month, 3-month, 6-month and 12-month VWAPs of the ALOG Units for the periods up to and including the Last Undisturbed Trading Date, respectively.

(B) Period from the Joint Announcement Date up to the Latest Practicable Date (15 October 2021 to 18 February 2022):

- (i) The Scheme Consideration of S\$0.970 represents a premium of 9.9% over the VWAP of the ALOG Units for the period from the Joint Announcement Date up to the Latest Practicable Date of S\$0.883;
- (ii) The Scheme Consideration of S\$0.970 represents a premium of 8.8% over the VWAP of the ALOG Units for the period from the Joint Announcement Date up to the Revised Joint Announcement Date of S\$0.891;
- (iii) The Scheme Consideration of S\$0.970 represents a premium of 13.7% over the VWAP of the ALOG Units for the period from the Revised Joint Announcement Date up to the Latest Practicable Date of S\$0.853; and
- (iv) The Scheme Consideration of S\$0.970 represents a premium of 12.8% to the closing price of the ALOG Units on the Latest Practicable Date of S\$0.860.

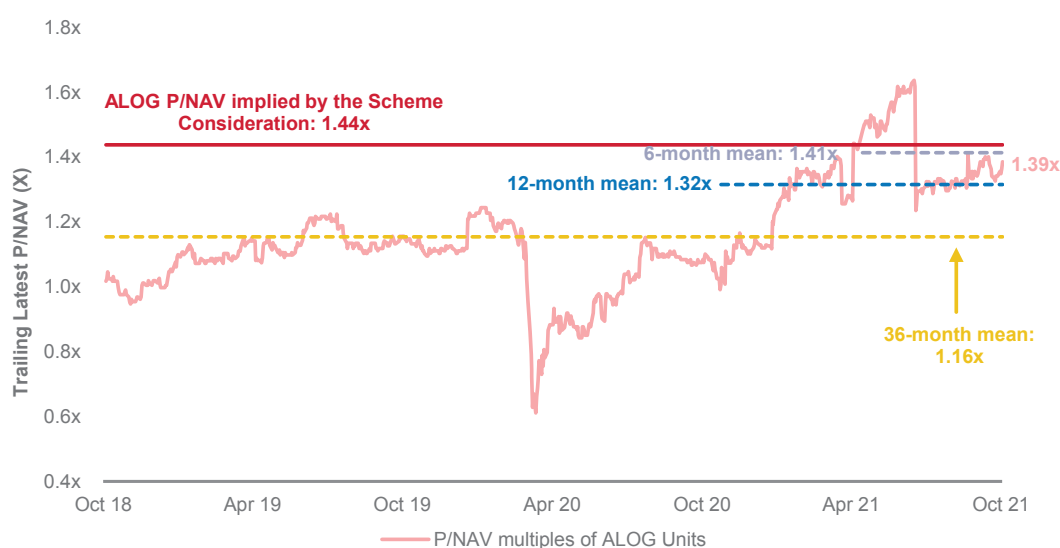
We note that there is no assurance that the price of the ALOG Units will remain at current levels in the event that the Merger is terminated. We also wish to highlight that the historical trading performance of the ALOG Units serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the ALOG Units, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Enlarged REIT, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

12.3.3 Trailing Latest P/NAV multiples of the ALOG Units relative to the Latest P/NAV multiple implied by the Scheme Consideration

For the purpose of evaluating the financial terms of the Merger, we have made reference to the Latest P/NAV multiples (based on the latest reported net asset values) of the ALOG Units to evaluate how the Latest P/NAV multiple implied by the Scheme Consideration compares to them.

With reference to Chart 6, we have compared the Latest P/NAV multiple implied by the Scheme Consideration to the trailing Latest P/NAV multiples of the ALOG Units over the 36-month period up to and including the Last Undisturbed Trading Date.

Chart 6 Trailing Latest P/NAV multiples of ALOG over the 36-month period up to the LUTD



Period up to the LUTD	Merger Implied ⁽¹⁾	Min	Max	Mean	Median
As at the LUTD (14 October 2021)	1.44x	1.39x	1.39x	1.39x	1.39x
6-month period	1.44x	1.24x	1.64x	1.41x	1.37x
12-month period	1.44x	0.99x	1.64x	1.32x	1.33x
36-month period	1.44x	0.61x	1.64x	1.16x	1.13x

Source: FactSet (as at the Last Undisturbed Trading Date)

(1) Based on the Scheme Consideration of S\$0.970 and NAV per ALOG unit of S\$0.674 as at 30 June 2021

Based on the above, we note that:

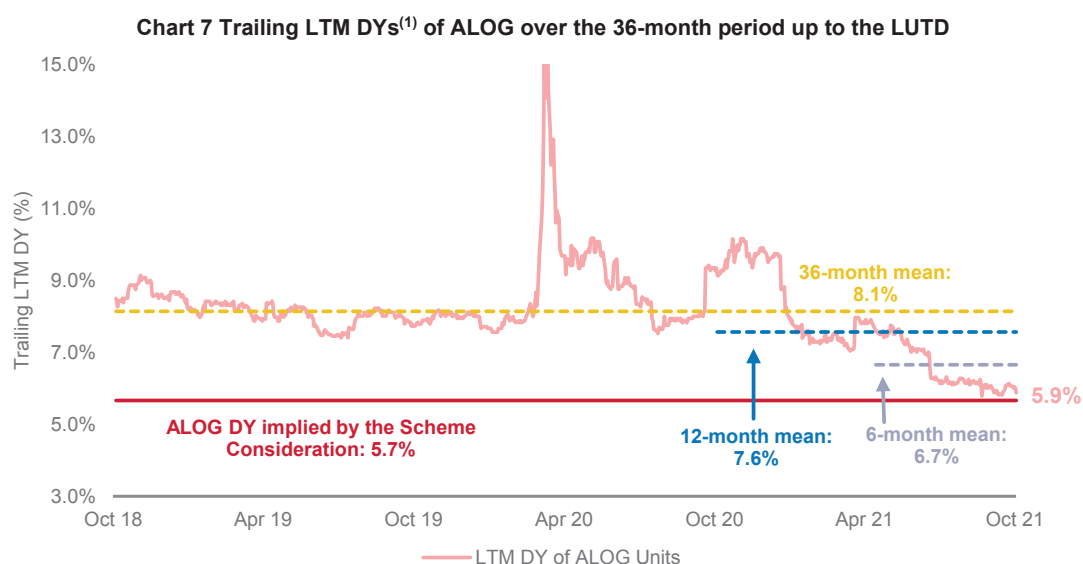
- The Latest P/NAV multiple implied by the Scheme Consideration of 1.44x is within the range of the trailing Latest P/NAV multiples of the ALOG Units of 1.24x to 1.64 and in line with the mean and median of 1.41x and 1.37x, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;
- The Latest P/NAV multiple implied by the Scheme Consideration of 1.44x is within the range of the trailing Latest P/NAV multiples of the ALOG Units of 0.99x to 1.64x and above the mean and median of 1.32x and 1.33x, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
- The Latest P/NAV multiple implied by the Scheme Consideration of 1.44x is within the range of the trailing Latest P/NAV multiples of the ALOG Units of 0.61x to 1.64x and above the mean and median of 1.16x and 1.13x, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of the ALOG Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.3.4 Trailing distribution yields of the ALOG Units relative to the distribution yield implied by the Scheme Consideration

For the purposes of evaluating the financial terms of the Merger, we have made reference to the LTM DYs of the ALOG Units to evaluate how the LTM DY implied by the Scheme Consideration compares to them.

In the chart below we have compared the LTM DY implied by the Scheme Consideration to the trailing LTM DYs of the ALOG Units over the 36-month period up to and including the Last Undisturbed Trading Date.



Period up to the LUTD	Merger Implied ⁽²⁾	Min	Max	Mean	Median
As at the LUTD (14 October 2021)	5.7%	5.9%	5.9%	5.9%	5.9%
6-month period	5.7%	5.8%	7.9%	6.7%	6.2%
12-month period	5.7%	5.8%	10.2%	7.6%	7.4%
36-month period	5.7%	5.8%	15.4%	8.1%	8.0%

Source: FactSet (as at the Last Undisturbed Trading Date)

(1) DYs are based on the trailing 12-month DPU

(2) Based on the Scheme Consideration of S\$0.970 and LTM distribution per ALOG unit of 5.50 cents which incorporates the Q2 2021 DPU of 1.01 cents, Q1 2021 DPU of 1.56, Q4 2020 DPU of 0.82 cents and the Q3 2020 DPU of 2.11 cents. DPUs have been adjusted to account for retention amounts relating to the Covid-19 pandemic, capital gains and other non-recurring gains

Based on the above, we note that:

- a) The LTM DY implied by the Scheme Consideration of 5.7% is below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 7.9% and below the mean and median of 6.7% and 6.2%, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;
- b) The LTM DY implied by the Scheme Consideration of 5.7% is below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 10.2% and below the mean and median of 7.6% and 7.4%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
- c) The LTM DY implied by the Scheme Consideration of 5.7% is below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 15.4% and below the mean and median of 8.1% and 8.0%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date.

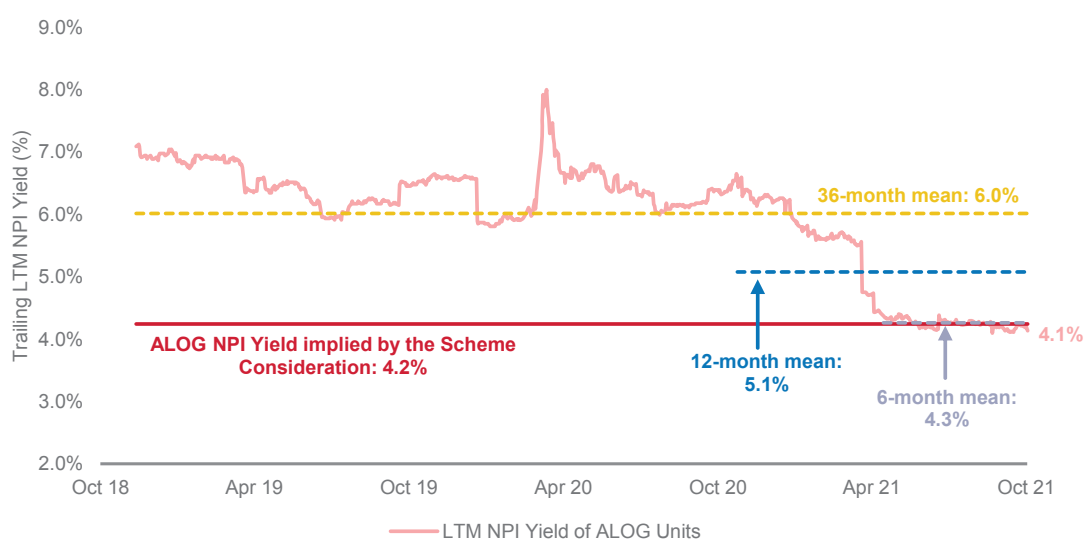
We wish to highlight that the historical trading patterns or performance of the ALOG Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.3.5 Trailing LTM Implied NPI Yields of the ALOG Units relative to the LTM Implied NPI Yield implied by the Scheme Consideration

For the purposes of evaluating the financial terms of the Merger, we have made reference to the LTM Implied NPI Yields of the ALOG Units to evaluate how the LTM Implied NPI Yield implied by the Scheme Consideration compares to them.

With reference to Chart 8, we have compared the LTM Implied NPI Yield implied by the Scheme Consideration to the trailing LTM Implied NPI Yields of the ALOG Units over the 36-month period up to and including the Last Undisturbed Trading Date.

Chart 8. Trailing LTM Implied NPI Yields⁽¹⁾ of ALOG over the 36-month period up to the LUTD



Period up to the LUTD	Merger Implied ⁽²⁾	Min	Max	Mean	Median
As at the LUTD (14 October 2021)	4.2%	4.1%	4.1%	4.1%	4.1%
6-month period	4.2%	4.1%	4.7%	4.3%	4.2%
12-month period	4.2%	4.1%	6.7%	5.1%	4.6%
36-month period	4.2%	4.1%	8.0%	6.0%	6.3%

Source: FactSet (as at the Last Undisturbed Trading Date)

(1) Implied NPI Yields are based on the trailing 12-month Net Property Income

(2) Based on the LTM NPI of ALOG of S\$97.5m as at 30 June 2021, and the implied EV of ALOG based on the Scheme Consideration of S\$0.970

Based on the above, we note that:

- The LTM Implied NPI Yield implied by the Scheme Consideration of 4.2% is within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 4.7% and is in line with the mean and median of 4.3% and 4.2%, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;
- The LTM Implied NPI Yield implied by the Scheme Consideration of 4.2% is within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 6.7% and is below the mean and median of 5.1% and 4.6%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
- The LTM Implied NPI Yield implied by the Scheme Consideration of 4.2% is within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 8.0% and is below the mean and median of 6.0% and 6.3%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of the ALOG Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.3.6 Valuation multiples of the Selected Comparable Industrial S-REITs and A-REITs

For the purpose of evaluating the Scheme Consideration, references were made to SGX-ST listed REITs and ASX listed REITs which are engaged in the business of industrial real estate investment and are considered to be broadly comparable to ALOG to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date of 18 February 2022.

Based on ALOG's financials for the half year ended 30 June 2021, ALOG's portfolio comprises properties located in Singapore and Australia, representing 55% and 45% of its total portfolio value, respectively. Accordingly, we have selected a set of comparable industrial REITs with primary businesses in Singapore and Australia.

The statistics for the Selected Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs are based on their closing prices and their latest publicly available financial results as at the Latest Practicable Date.

We have considered the following as key parameters for the comparison of the implied valuation metrics for the Selected Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs along with certain financial parameters as set out below:

- a) Latest P/NAV;
- b) LTM DY; and
- c) LTM Implied NPI Yield

The summary description of the Selected Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs we have reviewed for our analysis is set out above in Table 7 and in Table 13, respectively;

Table 13. Selected Comparable Industrial A-REITs

Company	Description ⁽¹⁾	Market Cap ⁽²⁾⁽³⁾ (\$m)
Centuria Industrial REIT	<ul style="list-style-type: none"> Sydney-headquartered REIT, part of Centuria Capital Group, focusing on industrial assets in Australia Owns 67 properties with a property valuation of c.S\$3.1bn 	2,308
Dexus Industria REIT	<ul style="list-style-type: none"> Melbourne-headquartered REIT focusing on industrial assets in Australia Owns 90 properties with a property valuation of c.S\$1.6bn 	995

Sources: FactSet (as at the Latest Practicable Date) and company filings

(1) Description based on company filings as at 30 September 2021

(2) Market capitalisation is calculated based on unit prices as at the Latest Practicable Date

(3) Local trading currency is converted to Singapore Dollars at the rate of A\$1.00:S\$0.97

Historical trading multiples are related to how a listed entity is perceived by the stock market and subject to market efficiency and rationality, reflect the information relevant to an entity such as its business directions, plans and strategies, expected financial performance, future prospects and potential growth and are susceptible to, amongst other things, the degree of broker coverage of the entity, trading liquidity, investor sentiment and market speculation.

We observe that the Large-Cap Comparable Industrial S-REITs are of larger scale from both a market capitalisation and asset value perspective, as compared to the Mid-Cap Comparable Industrial S-REITs and the Selected Comparable Industrial A-REITs and differ in terms of, *inter alia*, business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. We further note that from a scale perspective, ALOG is more comparable to the Mid-Cap Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs and is not comparable to the Large-Cap Comparable Industrial S-REITs. As a result, the implied multiples of the Large-Cap Comparable Industrial S-REITs may not be comparable to ALOG and as such, we have not included, as part of our analysis, an assessment of the multiples of ALOG implied by the Scheme Consideration relative to the Large-Cap Comparable Industrial S-REITs.

We further note that from a portfolio composition perspective, the selected Mid-Cap Comparable Industrial S-REITs are different from ALOG. The proportions of high-quality Australian assets of the selected Mid-Cap Comparable Industrial S-REITs are lower than that of ALOG's. As a result, there is limited comparability between the selected Mid-Cap Comparable Industrial S-REITs and ALOG

Table 14. Selected Comparable Industrial S-REITs and A-REITS

Company	Unit price S\$	Market Cap. S\$m	NAV (S\$m) Latest ⁽¹⁾	DPU (S\$c) LTM ⁽²⁾	P/NAV Latest ⁽¹⁾	DY LTM ⁽²⁾	Implied NPI Yield LTM ⁽³⁾
Mid-Cap Comparable Industrial S-REITs							
AIMS APAC REIT	1.40	997	983	10.0	1.01x	7.1%	5.4%
Sabana REIT	0.45	481	556	3.1	0.87x	6.8%	6.2%
Maximum					1.01x	7.1%	6.2%
Mean					0.94x	7.0%	5.8%
Median					0.94x	7.0%	5.8%
Minimum					0.87x	6.8%	5.4%
Selected Comparable Industrial A-REITs⁽⁴⁾							
Centuria Industrial REIT (AU)	3.64	2,308	2,585	16.6	0.92x	4.5%	3.4%
Dexus Industria REIT (AU)	3.12	995	1,092	16.8	0.94x	5.4%	2.9%
Maximum					0.94x	5.4%	3.4%
Mean					0.93x	5.0%	3.1%
Median					0.93x	5.0%	3.1%
Minimum					0.92x	4.5%	2.9%
Large-Cap Comparable Industrial S-REITs							
Ascendas REIT	2.83	11,880	9,991	15.3	1.19x	5.4%	5.0%
Mapletree Logistics Trust	1.76	8,223	6,391	8.7	1.29x	4.9%	4.5%
Mapletree Industrial Trust	2.56	6,812	4,783	13.6	1.42x	5.3%	4.6%
Frasers Logistics & Comm Trust	1.41	5,204	4,575	7.7	1.14x	5.4%	4.8%
Maximum					1.42x	5.4%	5.0%
Mean					1.26x	5.3%	4.7%
Median					1.24x	5.4%	4.7%
Minimum					1.14x	4.9%	4.5%
ALOG based on offer price of \$0.970 / unit					1.44x	5.7%	4.2%

Sources: FactSet (as at the Latest Practicable Date), public information,

- (1) Reflects latest balance sheet as at the Latest Practicable Date
- (2) Calculated based on the latest reported LTM DPU as at the Latest Practicable Date. LTM DPU is the aggregate of the DPU in the most recent 4 quarters (if distributions are made quarterly) or the aggregate of the DPU in the most recent 2 semiannual periods (if distributions are made semiannually). DPU is adjusted to exclude one-off or non-recurring items
- (3) Implied NPI Yield is calculated by dividing the LTM net property income of the respective companies by their enterprise values based on their unit prices and latest balance sheet information as at the Latest Practicable Date
- (4) Local trading currency is converted to Singapore Dollars at the rate of A\$1.00:S\$0.97

We highlight the following key observations arising from the data presented above in Table 14:

With respect to the Mid-Cap Comparable Industrial S-REITs:

- (i) The Latest P/NAV multiple of the ALOG Units implied by the Scheme Consideration of 1.44x is above the range of the P/NAV multiples of the Mid-Cap Comparable Industrial S-REITs of 0.87x and 1.01x, and above the mean and median of 0.94x;
- (ii) The LTM DY of the ALOG Units implied by the Scheme Consideration of 5.7% is below the range of the LTM DY of the Mid-Cap Industrial S-REITs of 6.8% and 7.1%, and below the mean and median of 7.0%; and
- (iii) The LTM Implied NPI Yield of the ALOG Units implied by the Scheme Consideration of 4.2% is below the range of the LTM Implied NPI Yield of the Mid-Cap Industrial S-REITs of 5.4% and 6.2%, and below the mean and median of 5.8%.

With respect to the Selected Comparable Industrial A-REITs:

- (i) The Latest P/NAV multiple of the ALOG Units implied by the Scheme Consideration of 1.44x is above the range of the P/NAV multiples of the Selected Comparable Industrial A-REITs of 0.92x and 0.94x, and above the mean and median of 0.93x;
- (ii) The LTM DY of the ALOG Units implied by the Scheme Consideration of 5.7% is above the range of the LTM DY of the Selected Comparable Industrial A-REITs of 4.5% and 5.4%, and above the mean and median of 5.0%; and
- (iii) The LTM Implied NPI Yield of the ALOG Units implied by the Scheme Consideration of 4.2% is above the range of the LTM Implied NPI Yield of the Selected Comparable Industrial A-REITs of 2.9% and 3.4%, and above the mean and median of 3.1%.

We recognise, however, that the list of the Selected Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs are not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that are directly comparable to ALOG in terms of business activities, scale of operations, types of products, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Selected Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs and ALOG may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Selected Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs is therefore intended to serve as an illustrative guide only.

We wish to further highlight that underlying financial data used to calculate the valuation multiples in our analysis have been extracted from Bloomberg, FactSet, published financial statements and annual reports and research analyst reports of the Selected Comparable Industrial S-REITs and Selected Comparable Industrial A-REITs as at the Latest Practicable Date. Rothschild & Co make no representations or warranties, express or implied, on the accuracy or completeness of such information.

12.3.7 Precedent Transactions of Selected S-REIT Mergers

For the purpose of evaluating the Scheme Consideration, we have also reviewed selected precedent transactions and combinations of S-REITs involving scrip as the primary transaction consideration for which information is publicly available in the five-year period preceding the Last Undisturbed Trading Date. The summary description of the targets we have reviewed for our analysis is set out above in Table 9.

We have conducted our analysis on the basis of premium to prevailing P/NAV as at the respective last undisturbed trading dates of the Precedent Transactions and on the basis of premium to the 6-month and 12-month VWAP periods prior to the respective last undisturbed trading dates as the key parameters for comparison.

We wish to highlight that there is a lack of true comparable precedent transactions that can be used in our analysis in terms of mergers in the industrial S-REIT segment and between companies of comparable scale to ESR-REIT and ALOG. As such, we have also considered S-REIT mergers across different REIT segments and which involve S-REITs which may be larger than ESR-REIT and ALOG. We note that the S-REITs set out in Table 14 below may not be directly comparable to either ESR-REIT or ALOG in terms of, *inter alia*, their business activities, market capitalisation, scale of operations, accounting policies, financial performance, future prospects geographical markets, track record, asset base, risk profile, customer base and other relevant criteria.

Each transaction must be judged on its own commercial and financial merits. The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors including, *inter alia*, the offeror's intention with regard to the target company, the potential synergies that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Scheme Consideration with the Precedent Transactions set out below is for illustrative purposes only.

Table 15. Precedent Transactions of S-REITs

Announcement date	Target	Acquirer	Premium to P/NAV ⁽¹⁾ (%)	Premium / (discount) to 6M VWAP	Premium / (discount) to 12M VWAP
31 Dec 2021	MNACT	MCT ⁽²⁾	(5.5%)	17.8%	17.3%
22 Jan 2020	CCT	CMT ⁽³⁾	16.2%	3.0%	8.8%
2 Dec 2019	FCOT	FLT ⁽⁴⁾	3.1%	3.6%	8.2%
3 Jul 2019	A-HTRUST	Ascott REIT ⁽⁵⁾	7.0%	24.2%	31.9%
8 Apr 2019	OUE H-Trust	OUE-CT ⁽⁶⁾	(0.4%)	6.7%	0.4%
18 May 2018	VIT	ESR-REIT ⁽⁷⁾	26.4%	1.5%	8.0%
Maximum			26.4%	24.2%	31.9%
Mean			7.8%	9.5%	12.4%
Median			5.0%	5.1%	8.5%
Minimum			(5.5%)	1.5%	0.4%
Premium / (Discount) based on Scheme Consideration⁽⁸⁾			43.7%	10.7%	24.4%

Sources: FactSet, Bloomberg, relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

- (1) Reflects latest balance sheet as at the last undisturbed trading dates for each respective transaction
- (2) On 31 December 2021, MCT and MNACT jointly announced the proposed merger between MCT and MNACT by way of a trust scheme of arrangement. The premium to P/NAV as at the last undisturbed trading date (27 December 2021) is calculated based on the MNACT NAV per unit as at 30 September 2021 of S\$1.265 and the consideration of S\$1.1949. The premia to the 6M and 12M VWAPs are calculated based on the 6M and 12M VWAPs of the MNACT units as at the last undisturbed trading date (27 December 2021) of S\$1.0142 and S\$1.0184
- (3) On 22 January 2020, CMT and CCT jointly announced the proposed merger of CMT and CCT by way of a trust scheme of arrangement. The premium to P/NAV as at the last undisturbed trading date (21 January 2020) is calculated based on the CCT NAV per unit as at 30 September 2019 of S\$1.828 and the consideration of S\$2.124 per CCT unit. The premia to the 6M and 12M VWAPs are calculated based on the 6M and 12M VWAPs of the CCT units as at the last undisturbed trading date (21 January 2020) of S\$2.061 and S\$1.952, respectively, and the consideration of S\$2.1238 per CMT unit. On 21 October 2020, it was announced that the trust scheme had become effective and binding
- (4) On 2 December 2019, FLT and FCOT jointly announced the proposed merger of FLT and FCOT by way of a trust scheme of arrangement. The premium to P/NAV as at the last undisturbed trading date (27 November 2019) is calculated based on the FCOT NAV per unit as at 30 September 2019 of S\$1.629 and the consideration of S\$1.680 per FCOT unit. The premia to the 6M and 12M VWAPs is calculated based on the 6M and 12M VWAPs of the FCOT units as at the last undisturbed trading date (27 November 2019) of S\$1.622 and S\$1.553, respectively, and the consideration of S\$1.680 per FCOT unit. On 15 April 2020, it was announced that the trust scheme had become effective and binding

- (5) On 3 July 2019, Ascott REIT and A-HTRUST jointly announced the proposed merger of Ascott REIT and A-HTRUST by way of a trust scheme of arrangement. The premium to P/NAV as at the last undisturbed trading date (2 July 2019) is calculated based on A-HTRUST NAV per unit as at 31 March 2019 of S\$1.016 and the consideration of S\$1.0868 per A-HTRUST unit. The premia to the 6M and 12M VWAPs is calculated based on the 6M and 12M VWAPs of the A-HTRUST units as at the last undisturbed trading date (2 July 2019) of S\$0.875 and S\$0.824, respectively, and the consideration of S\$1.0868 per A-HTRUST unit. On 19 December 2019, it was announced that the trust scheme had become effective and binding
- (6) On 8 April 2019, OUE-CT and OUE H-Trust jointly announced the proposed merger of OUE-CT and OUE H-Trust by way of a trust scheme of arrangement. The discount to P/NAV as at the last undisturbed trading date (5 April 2019) is calculated based on OUE H-Trust NAV per unit as at 31 March 2019 of S\$0.75 and the consideration of S\$0.747 per OUE H-Trust unit. The premia to the 6M and 12M VWAPs is calculated based on the 6M and 12M VWAPs up to the last undisturbed trading date (5 April 2019) of S\$0.700 and S\$0.744 and the consideration of S\$0.747 per OUE H-Trust unit. On 4 September 2019, it was announced that the trust scheme had become effective and binding
- (7) On 18 May 2018, ESR-REIT and VIT jointly announced the proposed merger of ESR and VIT by way of a trust scheme of arrangement. The premium to P/NAV as at the last undisturbed trading date (25 January 2018) is calculated based on VIT NAV per unit as at 31 March 2018 of S\$0.760 and the consideration of S\$0.960 per VIT unit. The premia to the 6M and 12M VWAPs is calculated based on the 6M and 12M VWAPs up to the last undisturbed trading date (25 January 2018) of S\$0.946 and S\$0.889, respectively, and the consideration of S\$0.960 per VIT unit. On 15 October 2018, it was announced that the trust scheme had become effective and binding
- (8) Premia is calculated based on the Scheme Consideration of S\$0.970 and NAV per ALOG unit as at 30 June 2021 and the 6M and 12M VWAPs of ALOG up to and including the Last Undisturbed Trading Date (14 October 2021).

We highlight the following key observations arising from the data presented above:

- a) The premium of 43.7% implied by the Scheme Consideration over the prevailing ALOG P/NAV as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of (5.5)% to 26.4% and is above the mean and median of 7.8% and 5.0%, respectively;
- b) The premium of 10.7% implied by the Scheme Consideration over the 6-month VWAP of ALOG up to and including the Last Undisturbed Trading Date is within the range of the premia implied by the Precedent Transactions of 1.5% to 24.2% and above the mean and median of 9.5% and 5.1%, respectively; and
- c) The premium of 24.4% implied by the Scheme Consideration over the 12-month VWAP of ALOG up to and including the Last Undisturbed Trading Date is within the range of the premia implied by the Precedent Transactions of 0.4% to 31.9% and above the mean and median of 12.4% and 8.5%, respectively.

12.3.8 Selected Precedent Privatisation Transactions

We have compared the financial terms of the Scheme Consideration with those of selected successful transactions announced since January 2018 up to and including the Last Undisturbed Trading Date of 14 October 2021, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Takeover Code where the offeror has stated its intention to delist the listed company from the SGX-ST ("**Selected Precedent Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium / discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the VWAPs over the last transacted price, the 1-month, 3-month, 6-month and 12-month periods prior to the announcement of the Selected Precedent Privatisation Transactions.

Table 16. Precedent Singapore Privatisations Since January 2018

Ann. Date	Target	Note	Premium/(discount) of the offer price prior to announcement ^{(1),(2)}				
			Last Traded	1-month VWAP	3-month VWAP	6-month VWAP	
(1)	09-Feb-18	LTC Corporation Limited	(3)	44.5%	46.1%	45.4%	44.1%
(2)	13-Mar-18	Weiye Holdings Limited	(4)	31.3%	41.0%	44.1%	44.4%
(3)	26-Apr-18	Tat Hong Holdings Ltd	(5)	42.9%	47.5%	49.1%	40.3%
(4)	18-May-18	Viva Industrial Trust	(6)	2.1%	2.1%	0.7%	8.0%
(5)	19-Jul-18	Wheelock Properties (Singapore) Limited	(7)	22.7%	29.0%	22.7%	17.8%
(6)	27-Sep-18	Keppel Telecommunications & Transportation	(8)	40.4%	39.5%	34.9%	28.1%
(7)	27-Sep-18	M1 Limited	(9)	26.3%	29.9%	29.1%	22.0%
(8)	03-Apr-19	Ying Li International Real Estate Limited	(10)	1.6%	5.7%	10.5%	17.8%
(9)	04-Apr-19	Kingboard Copper Foil Holdings Limited	(11)	9.1%	16.1%	25.3%	27.4%
(10)	08-Apr-19	OUE Hospitality Trust	(12)	2.6%	3.0%	4.4%	6.7%
(11)	10-Apr-19	Indofood Agri Resources Ltd.	(13)	7.7%	21.5%	26.3%	29.0%
(12)	03-Jul-19	Ascendas Hospitality Trust	(14)	11.5%	13.8%	19.0%	24.2%
(13)	05-Jul-19	Health Management Intl Ltd	(15)	14.1%	24.8%	27.4%	29.7%
(14)	12-Aug-19	TPV Technology Ltd	(16)	41.4%	55.0%	88.3%	139.8%
(15)	25-Oct-19	United Engineers Limited	(17)	1.5%	5.3%	4.5%	5.7%
(16)	06-Nov-19	Citic Envirotech Limited	(18)	48.6%	61.9%	68.5%	65.5%
(17)	02-Dec-19	Frasers Commercial Trust	(19)	0.6%	3.6%	3.1%	3.6%
(18)	22-Jan-20	CapitaLand Commercial Trust	(20)	(0.0%)	4.1%	4.0%	3.0%
(19)	24-Feb-20	BreadTalk Group Limited	(21)	19.4%	30.1%	24.0%	25.0%
(20)	12-Jun-20	Perennial Real Estate Holdings Limited	(22)	88.1%	105.2%	124.2%	112.7%
(21)	20-Aug-20	China Jishan Hldg Ltd	(23)	84.2%	101.3%	106.4%	116.7%
(22)	14-Dec-20	Soilbuild Business Space REIT	(24)	25.1%	31.6%	31.9%	49.9%
(23)	18-Dec-20	Hi-P International Ltd	(25)	13.6%	23.2%	42.3%	50.6%
(24)	11-Jan-21	CEI Ltd	(26)	16.2%	18.2%	20.6%	23.8%
(25)	15-Jan-21	GL Ltd	(27)	25.0%	28.2%	33.3%	28.0%
(26)	30-Apr-21	Top Global Ltd	(28)	1.3%	0.3%	7.4%	10.2%
(27)	09-Jul-21	Fragrance Group Ltd	(29)	16.9%	19.0%	19.0%	20.0%
(28)	31-Dec-21	Mapletree North Asia Commercial Trust	(30)	7.6%	14.4%	17.5%	17.8%
	Maximum			88.1%	105.2%	124.2%	139.8%
	Mean			23.1%	29.3%	33.4%	36.1%
	Median			16.5%	24.0%	25.8%	26.2%
	Minimum			(0.0%)	0.3%	0.7%	3.0%
	Scheme Consideration			3.7%	4.5%	6.2%	10.7%

Sources: FactSet, Bloomberg, relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

- (1) Reflects date on which the relevant offer was announced. If offer price was revised, then the date of the announcement of the final revision is taken
- (2) Premium calculated based on the last traded price prior to the relevant takeover announcement, or other reference date as described in the notes below
- (3) On 9 February 2018, Mountbatten Enterprises Pte. Ltd. ("**Mountbatten**") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of LTC Corporation Limited, other than those already owned, controlled or agreed to be acquired by Mountbatten. The market premia are calculated based on the offer price of S\$0.925 per share. The time reference for calculation of premia is 8 February 2018, being the last trading day of the shares on the SGX-ST prior to offer announcement
- (4) On 13 March 2018, Fine Skill Holdings Limited and Weiye Holdings Limited ("**Weiye**") jointly announced the proposed voluntary delisting of Weiye. The market premia are calculated based on the exit offer price of S\$0.65 per share in cash. The time reference for calculation of premia is 13 March 2018, being the last day on which the shares were traded on the SGX-ST prior to the joint announcement
- (5) On 11 Jan 2018, THSC Investments Pte. Ltd. ("**THSC**") announced that THSC intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Tat Hong Holdings Ltd ("**THH**"), other than those already held by THH as treasury shares and those already held directly or indirectly, by THSC. On 9 March 2018, THSC announced an offer price of S\$0.50 per share. On 26 April 2018, THSC announced a revised offer price of S\$0.55 per share. The market premia are calculated based on the revised offer price of S\$0.55 per share. The time reference for calculation of premia is 20 September 2017, being the last full market trading day prior to the announcement dated 21 September 2017 that THH had been approached by certain parties in connection with a potential transaction
- (6) On 18 May 2018, Viva Industrial Trust Management Pte. Ltd. (as manager for Viva Industrial Real Estate Investment Trust) and Viva Asset Management Pte. Ltd. (as trustee-manager of Viva Industrial Business Trust) (together, the "**VIT Managers**"), and ESR Funds Management (S) Limited (as manager for ESR-REIT), jointly announced the proposed merger of ESR-REIT and Viva Industrial Trust ("**VIT**") to be effected through the acquisition by ESR-REIT of all the issued and paid-up stapled securities of VIT by way of a trust scheme of arrangement. The market premia are calculated based on the offer price of S\$0.96 per VIT unit. The time reference for calculation of premia is 25 January 2018, being the last full and undisturbed trading day prior to the article published by Bloomberg on 26 January 2018 titled "Warburg-Backed ESR-REIT is said to plan Viva Industrial Merger" and the initial announcement dated 29 January 2018 by the ESR-REIT Funds Management (S) Limited that it had submitted a proposal for the Merger by way of the Scheme
- (7) On 19 July 2018, Star Attraction Limited ("**Star Attraction**"), a wholly-owned subsidiary of Wheelock Investments Limited, announced a voluntary unconditional general offer to acquire all the issued and paid-up ordinary shares in the capital of Wheelock Properties (Singapore) Limited, other than those already owned or agreed to be acquired by Star Attraction. The market premia are calculated based on the offer price of S\$2.10 per share. The time reference for calculation of premia is 13 July 2018, being the last trading day of the shares on the SGX-ST prior to the offer announcement.

- (8) On 27 September 2018, Keppel Telecommunications & Transportation Ltd ("**Keppel T&T**") and Keppel Corporation Limited ("**Keppel Corp**") jointly announced the proposed acquisition by Keppel Corp of all the issued and paid-up ordinary shares of Keppel T&T, other than those already held by Keppel Corp. The market premia are calculated based on the offer price of S\$1.91 per share. The time reference for calculation of premia is 21 September 2018, being the last trading day prior to the joint announcement
- (9) On 27 September 2018 ("**Pre-Conditional Offer Announcement Date**"), Connectivity. Pte Ltd ("**Kconnectivity**"), a jointly-owned entity of Keppel Corporation Limited and Singapore Press Holding Limited, announced that subject to the satisfaction of the conditions as stated in the Pre-Conditional Offer Announcement (the "**Pre-Condition**"), it intends to make a voluntary conditional general offer to acquire (i) all the shares in the capital of M1 Limited ("**M1**"), other than those already owned, controlled or agreed to be acquired by Connectivity, (ii) all new shares in the capital of M1 unconditionally issued or to be issued prior to the 4 February 2019 ("**Closing Date**"). The Closing Date being the last day for the lodgment of acceptances of the offer. On 28 December 2018, Connectivity announced that the Pre-Condition had been met and accordingly, it intended to make the offer. The market premia are calculated based on the offer price of S\$2.06 per share. The time reference for calculation of premia is 21 September 2018, being the last trading day prior to the Pre-Conditional Offer Announcement Date
- (10) On 3 April 2019, State Alpha Limited ("**State Alpha**"), a wholly-owned indirect subsidiary of China Everbright Limited, announced a mandatory unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Ying Li International Real Estate Limited, other than those already held directly or indirectly, by State Alpha and parties acting or deemed to be acting in concert with it. The market premia are calculated based on the offer price of S\$0.140 per share. The time reference for the calculation of premia is 3 April 2019, being the last trading day prior to the offer announcement
- (11) On 4 April 2019, Excel First Investments Limited ("**Excel First**"), a wholly-owned subsidiary of Kingboard Laminates Holdings Limited, announced a voluntary unconditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of Kingboard Copper Foil Holdings Limited, other than those already owned, controlled or agreed to be acquired by Excel First or parties acting or deemed to be acting in concert with it. The market premia are calculated based on the offer price of S\$0.60 per share. The time reference for the calculation of the premia is 1 April 2019, being the last full trading day of the shares on the SGX-ST prior to the offer announcement
- (12) On 8 April 2019, the respective board of directors of OUE Commercial REIT Management Pte. Ltd. (as manager for OUE Commercial Real Estate Investment Trust), OUE Hospitality REIT Management Pte. Ltd. (as manager for OUE Hospitality Real Estate Investment Trust) and OUE Hospitality Trust Management Pte. Ltd. (as trustee-manager of OUE Hospitality Business Trust) jointly announced the proposed merger of OUE Commercial Real Estate Investment Trust ("**OUE-CT**") and OUE Hospitality Trust ("**OUE H-Trust**"), which comprises OUE Hospitality Real Estate Investment Trust and OUE Hospitality Business Trust, to be effected through the acquisition by OUE-CT Trustee of all the issued and paid-up stapled securities in OUE H-Trust by way of a trust scheme of arrangement. The market premia are calculated based on the implied offer price of S\$0.747 per stapled security. The time reference for calculation of premia is 5 April 2019, being the last full market trading day prior to the joint announcement
- (13) On 10 April 2019, PT Indofood Sukses Makmur Tbk ("**Indofood Sukses**") announced a voluntary conditional cash offer to acquire all the shares other than those already held by Indofood Sukses and its related corporations in the capital of Indofood Agri Resources Ltd. The market premia are calculated based on the offer price of S\$0.28 per share. The time reference for the calculation of the premia is 5 April 2019, being the last market day immediately prior to the offer announcement
- (14) On 3 July 2019, Ascott Residence Trust Management Limited (as manager for Ascott Residence Trust), Ascendas Hospitality Fund Management Pte. Ltd. (as manager for Ascendas Hospitality Real Estate Investment Trust) and Ascendas Hospitality Trust Management Pte. Ltd. (as manager for Ascendas Hospitality Business Trust), jointly announced the proposed acquisition by Ascott Residence Trust of all the stapled securities held by Ascendas Hospitality Trust, which comprises Ascendas Hospitality Real Estate Investment Trust and Ascendas Hospitality Business Trust, by way of scheme of arrangement. The market premia are calculated based on the scheme consideration of S\$1.0868 per share. The time reference for the calculation of the premia is 2 July 2019, being the last market day immediately preceding the joint announcement
- (15) On 5 July 2019, PanAsia Health Limited ("**PanAsia**"), an indirectly wholly-controlled entity of EQT Mid Market Asia III GP B.V., acting in capacity as a general partner of EQT Mid Market Asia III Limited Partnership, and Health Management International Ltd ("**Health Management**") made a joint announcement in relation to the proposed acquisition of all the issued ordinary shares in the capital of Health Management which will be effected by way of scheme of arrangement, at an offer price of S\$0.73 per share. The time reference for the calculation of the premia is 14 June 2019, being the last full trading day immediately prior to the announcement date
- (16) On 12 August 2019, CEIEC (H.K.) Limited ("**CEIECL**"), a wholly-owned indirect subsidiary of China Electronics Corporation, and TPV Technology Limited ("**TPV**") jointly announced the proposed privatization of TPV by way of scheme of arrangement, at a price of HK\$3.86. The time reference for the calculation of the premia is 8 August 2019, being the last full trading day prior to the trading halt of TPV shares pending the issue of the announcement
- (17) On 25 October 2019, Yanlord Investment (Singapore) Pte. Ltd ("**Yanlord**"), a bid vehicle owned by Yanlord Land Group Limited, Perennial UW Pte. Ltd. and Heng Yue Holdings Limited, announced a mandatory unconditional cash offer to acquire all the issued and paid-up shares in the capital of United Engineers Limited, other than those already owned, controlled or agreed to be acquired by Yanlord and parties acting in concert with it, at an offer price of S\$2.60 per share. On 12 November 2019, Yanlord announced a revised offer price of S\$2.70 per share. The market premia are calculated based on the price of S\$2.70 per share. The time reference for the calculation of the premia is 21 October 2019, being the last trading day for the shares on the SGX-ST prior to the offer announcement
- (18) On 6 November 2019, CKM (Cayman) Company Limited ("**CKM**"), a wholly-owned indirect subsidiary of CITIC Limited, and CITIC Envirotech Ltd. ("**CITIC**") announced the proposed voluntary delisting by the acquisition of all the shares in the capital of CITIC, other than those already owned, controlled or agreed to be acquired by CKM and parties acting with it. The market premia are calculated based on the offer price of S\$0.55 per share. The time reference for the calculation of the premia is 1 November 2019, being the last full trading day for the shares on the SGX-ST immediately prior to the release of the offer announcement
- (19) On 2 December 2019, Frasers Logistics & Industrial Asset Management Pte. Ltd. (as manager of Frasers Logistics & Industrial Trust) and Frasers Commercial Asset Management Ltd. (as manager of Frasers Commercial Trust), jointly announced the proposed merger effected through the acquisition by Perpetual (Asia) Limited, in its capacity as trustee of Frasers Logistics & Industrial Trust, of all the issued and paid-up units in Frasers Commercial Trust by way of a trust scheme of arrangement. The market premia are calculated based on the scheme consideration of S\$1.680 per unit. The time reference for the calculation of the premia is 27 November 2019, being the last trading day prior to the joint announcement

- (20) On 22 January 2020, the respective board of directors of CapitaLand Mall Trust Management Limited (as manager of CapitaLand Mall Trust) and CapitaLand Commercial Trust Management Limited (as manager of CapitaLand Commercial Trust) announced the proposed merger of CapitaLand Mall Trust ("**CMT**") and Capitaland Commercial Trust ("**CCT**") effected through the acquisition by CMT of all the issued and paid-up units of CCT by way of a trust scheme of arrangement. The market premia are calculated based on the scheme consideration of S\$2.1238 per share. The time reference for the calculation of the premia is 21 January 2020, being the last full market day prior to the release of the offer announcement
- (21) On 24 February 2020, BTG Holding Company Pte. Ltd. ("**BTG**"), a bid vehicle for Dr. George Quek Meng Tong, Ms. Katherine Lee Lih Leng and wholly-owned subsidiaries of Minor International PCL, announced a voluntary conditional cash offer to acquire all the issued shares in the capital of Breadtalk Group Limited ("**Breadtalk**"), other than those already owned, controlled or agreed to be acquired by BTG. The market premia are calculated based on the offer price of S\$0.77 per share. The time reference for the calculation of the premia is 21 February 2020, being the last full market day prior to the release of the offer announcement
- (22) On 12 June 2020, Primero Investment Holdings Pte. Ltd. ("**Primero**"), which is wholly-owned by Mr. Kuok Khoon Hong, Wilmar International Limited, Mr. Ron Sim and Mr. Pua Seck Guan, announced a voluntary conditional cash offer for all the issued and paid-up shares in the capital of Perennial Real Estate Holdings Limited ("**Perennial**"), including all the shares already owned, controlled or agreed to be acquired by the parties acting or deemed to be acting in concert with Primero. The market premia are calculated based on the offer price of S\$0.95 per share. The time reference for the calculation of the premia is 15 May 2020, being the last full trading day prior to the release of the voluntary announcement dated 18 May 2020 by Perennial that certain of its substantial shareholders were reviewing the options in relation to their holdings in Perennial
- (23) On 20 August 2020, Stirling Coleman Capital Limited announced, on behalf of Tianlan Holding Pte. Ltd. ("**Tianlan**"), a voluntary conditional cash offer for all of the issued ordinary shares in the capital of China Jishan Holdings Limited ("**China Jishan**"), including all the shares in issue, excluding treasury shares and including any shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with Tianlan. The market premia are calculated based on an offer price of S\$0.35 per share. The time reference for the calculation of the premia is 14 July 2020 being the last trading day before trading was suspended on 15 July 2020 up to and including the offer announcement date
- (24) On 14 December 2020, Soilbuild REIT manager and Clay Holdings III Limited ("**Clay Holdings**"), which is wholly-owned by Blackstone and Mr. Lim Chap Huat, announced the proposed acquisition of all of the issued units in Soilbuild REIT ("**SB REIT**") via a Scheme of Arrangement. The Market Premia is calculated based on an offer price of S\$0.53806 per unit to reflect the actual amount of scheme consideration unitholders will receive after adjusting for the payment of 4Q2020 distribution by SB REIT to SB REIT unitholders. The time reference for the calculation of the premia is 31 August 2020 being the last full trading day
- (25) On 18 December 2020, YHT Venture Pte. Ltd. ("**YHT**") announced a voluntary unconditional general offer to acquire all the issued and paid-up ordinary shares of Hi-P International Limited ("**Hi-P**"), excluding those shares held directly or indirectly by YHT. The market premia are calculated based on an offer price of S\$2.00 per Hi-P share. The time reference for the calculation of the premia is 14 December 2020 being the last trading day prior to the announcement.
- (26) On 11 January 2021, AEM Singapore Pte. Ltd., a wholly-owned subsidiary of AEM Holdings Ltd. ("**AEM**") announced their intention to make a voluntary conditional offer for all the issued and paid-up ordinary shares (excluding any shares held in treasury) in the capital of CEI Limited ("**CEI**") other than those already held by the AEM as at the date of the offer. The market premia are calculated based on an offer price of S\$1.15. The time reference for the calculation of the premia is 7 January 2021 being the last full market day on which there were trades in CEI shares immediately preceding the last trading day as no shares were traded on the last trading day.
- (27) On 15 January 2021, GuocoLeisure Holdings Limited, a wholly-owned subsidiary of Guoco Group Limited ("**GGL**") announced their intention to make a voluntary conditional cash offer for all the issued ordinary shares in the capital of GL Limited ("**GL**"), including any shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the GGL. The market premia are calculated based on an offer price of S\$0.70 per GL share. The time reference for the calculation of the premia is 14 January 2021, which is the last full day when the SGX-ST is open for the trading of securities prior to the offer announcement on 15 January 2021
- (28) On 30 April 2021, SW Investment Holdings Pte. Ltd., owned by Madam Oei Siu Hoa and Mister Hano Maeloa, announced their intention to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Top Global Limited ("**Top Global**"), excluding shares held in treasury. The market premia are calculated based on an offer price of S\$0.39. The time reference for the calculation of the premia is 29 April 2021 being the last market day on which Top Global shares were traded on the SGX-ST prior to the offer announcement date on 30 April 2021
- (29) On 9 July 2021, JK Global Treasuries Pte. Ltd. ("**JK Global**"), announced their intention to make a voluntary unconditional cash offer for all the issued ordinary shares in the capital of Fragrance Group Limited ("**Fragrance Group**"), including all the Fragrance Shares already owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the JK Global. The market premia are calculated based on an offer price of S\$0.138 per Fragrance Group share. The time reference for the calculation of the premia is 8 July 2021 being the last full trading day prior to the announcement of the offer on 9 July 2021
- (30) On 31 December 2021, MCT and MNACT jointly announced the proposed merger between MCT and MNACT by way of a trust scheme of arrangement. The premia to the Last traded price and 1M, 3M and 6M VWAPs are calculated based on the Last traded price and 1M, 3M and 6M VWAPs of the MNACT units as at the last undisturbed trading date (27 December 2021) of S\$1.1100 and S\$1.0449, S\$1.0173 and S\$1.0142, respectively, and an offer price of S\$1.1949

Based on the above, we note that:

The premia implied by the Scheme Consideration in connection with the Merger to the closing price as at the Last Undisturbed Trading Date and to the VWAPs over the 1-month, 3-month and 6-month periods up to and including the Last Undisturbed Trading Date are within the minimum to maximum range and below the mean and median of the corresponding premia of the Selected Precedent Privatisation Transactions.

We wish to highlight that the target companies involved in the Selected Precedent Privatisation Transactions as set out in the analysis above may not be directly comparable to ALOG in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

The premium or discount (if any) that an offeror pays in any particular privatisation transaction varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergies the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company.

The list of the Selected Precedent Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of ALOG.

12.4 Other Relevant Considerations Relating To The Merger

12.4.1 Cash component of the Scheme Consideration

We note that the Scheme Consideration of S\$0.970 per ALOG Unit will be satisfied through the payment of S\$0.097 in cash (comprising 10% of the Scheme Consideration) and 1.7729 new ESR-REIT Units issued at a price of S\$0.4924 each (comprising 90% of the Scheme Consideration).

We have compared this aspect of the structure of the Scheme Consideration against the equivalent structure of selected precedent transactions and combinations of S-REITs involving scrip as the primary transaction consideration for which information is publicly available in the five-year period preceding the Latest Practicable Date. We note that the Precedent Transactions may not be directly comparable to the Scheme in terms of, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria and that there may have been specific commercial and financial merits to each precedent transaction. As a result, any comparison drawn can serve only as an illustrative guide.

Table 17. The Scheme consideration components for the Precedent Transactions

Announcement date	Target	Acquirer	Cash Component	Unit Component	Total Consideration (S\$)
31 Dec 2021	MNACT	MCT	16.0%	84.0%	1.195 ⁽¹⁾
22 Jan 2020	CCT	CMT	12.2%	87.8%	2.124 ⁽²⁾
2 Dec 2019	FCOT	FLT	9.0%	91.0%	1.680 ⁽³⁾
3 Jul 2019	A-HTRUST	Ascott REIT	5.0%	95.0%	1.087 ⁽⁴⁾
8 Apr 2019	OUE H-Trust	OUE-CT	5.0% ⁽⁴⁾	95.0%	0.815 ⁽⁵⁾
18 May 2018	VIT	ESR-REIT	10.0%	90.0%	0.960 ⁽⁶⁾
Maximum			16.0%	95.0%	
Mean			9.5%	90.5%	
Median			9.5%	90.5%	
Minimum			5.0%	84.0%	
15 Oct 2021	ALOG	ESR-REIT	10.0%	90.0%	0.970

Sources: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

- (1) Total consideration computed based on the implied gross exchange ratio of 0.596x and the issue price of S\$2.00
- (2) Total consideration computed based on the implied gross exchange ratio of 0.820x and the issue price of S\$2.59
- (3) Total consideration computed based on the implied gross exchange ratio of 1.355x and the issue price of S\$1.24
- (4) Total consideration computed based on the implied gross exchange ratio of 0.836x and the issue price of S\$1.30
- (5) 5% is based on the cash consideration divided by the implied value of the offer computed based on the implied gross exchange ratio of 1.430x and the issue price of S\$0.57
- (6) Total consideration computed based on the implied gross exchange ratio of 1.778x and the issue price of S\$0.54

We note that the proportion of the Scheme Consideration to be paid in cash is within the minimum to maximum range of 5.0% to 16.0% of the cash components paid in the Precedent Transactions.

12.4.2 ESR-REIT Auditor's Opinion

The ESR-REIT Manager and the ESR-REIT Trustee have not commissioned any valuation of the properties held by ALOG and its subsidiaries, and the ALOG Manager and the ALOG Trustee have not commissioned any valuation of the properties held by ESR-REIT and its subsidiaries, for the purpose of the Scheme.

Instead, the ESR-REIT Manager and the ESR-REIT Trustee have appointed Ernst & Young LLP ("the **ESR-REIT 805 Auditor**") to perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) on "Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement", on the ALOG Statements of Investment Properties, including by, among other things, reviewing the valuation reports of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties as at 30 September 2021. A reciprocal arrangement was undertaken by ALOG on the ESR-REIT Statements of Investment Properties, including by, among other things, reviewing the valuation reports of the ESR-REIT Real Properties and the EALP Real Properties as at 30 September 2021.

The intention in carrying out such an audit is to give additional comfort to ESR-REIT Unitholders that the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group. It is also noted that the valuations of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties in the ALOG Statements of Investment Properties were very recently updated as at 30 September 2021 and the valuations were undertaken by independent and reputable international valuation firms such as CBRE Pte. Ltd and Colliers Australia. The basis of preparation of the valuations are also in-line with market standard. As such, the ESR-REIT Manager did not commission separate valuations of the ALOG Real Properties (excluding the Heron Property) and the ALOG Fund Real Properties and instead commissioned the ESR-REIT 805 Auditor to perform the audit as mentioned above.

Pursuant to such audit, the ESR-REIT 805 Auditor has delivered an audit opinion dated 25 February 2022 setting out its opinion that the ALOG Statements of Investment Properties have been prepared, in all material respects, in accordance with the relevant accounting policies of the ALOG Group (the **"ESR-REIT 805 Auditor's Opinion"**).

In determining the carrying values of the ALOG Real Properties and the ALOG Fund Real Properties, the ESR-REIT 805 Auditor had also considered the valuations of these properties concluded by the ALOG Group, the New LAIVS Trust and the Oxford Property Fund as of 31 December 2021, which have not materially changed when compared to the carrying values as at 30 September 2021, in assessing the robustness of the valuations as at 30 September 2021.

In the course of our evaluation, we have held discussions with the ESR-REIT 805 Auditor and have considered the ESR-REIT 805 Auditor's Opinion in reaching our recommendation. We have relied upon the ESR-REIT 805 Auditor's Opinion and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant and do not accept or assume any responsibility for the accuracy, completeness, reliability or adequacy of such information in reaching that opinion or the manner in which it has been classified or presented.

We note that the ESR-REIT 805 Auditor's Opinion rendered by the ESR-REIT 805 Auditor is an unqualified opinion. A copy of their opinion is included in Appendix C of the Circular. We recommend that ESR-REIT Unitholders review and consider that opinion in its entirety.

12.4.3 Historical implied exchange ratio between the ALOG Units and ESR-REIT Units

We have analysed the historical implied exchange ratio between the ALOG Units and ESR-REIT Units based on their VWAPs for the selected reference periods up to and including the Last Undisturbed Trading Date. We have compared the premium or discount between the implied exchange ratio at each reference period and the Exchange Ratio (defined as the exchange ratio of 1.970x implied by the Scheme Consideration payable for each ALOG Unit) to evaluate the financial terms of the Scheme Consideration as set out in Table 18.

Table 18. Historical Gross Exchange Ratio

Reference period	VWAP (S\$)		Implied gross exchange ratio	Gross exchange ratio	Implied premium / (discount) (%) ⁽²⁾
	ESR-REIT	ALOG			
For periods up to and including the Last Undisturbed Trading Date (14 October 2021) ⁽¹⁾					
LUTD	0.466	0.929	1.992x	1.970x	(1.1)
1 month	0.471	0.928	1.969x	1.970x	0.1
3 months	0.469	0.914	1.948x	1.970x	1.1
6 months	0.447	0.876	1.960x	1.970x	0.5
12 months	0.432	0.780	1.806x	1.970x	9.1

Sources: FactSet, Bloomberg

(1) Periods analysed are as follows – Closing price as at the Last Undisturbed Trading Date; 1 month up to the Last Undisturbed Trading Date (inclusive); 15 September 2021 up to and including 14 October 2021; 3 months up to the Last Undisturbed Trading Date (inclusive); 15 July 2021 up to and including 14 October 2021; 6 months up to the Last Undisturbed Trading Date (inclusive); 15 April 2021 up to and including 14 October 2021; and 12 months up to the Last Undisturbed Trading Date (inclusive); 15 October 2020 up to and including 14 October 2021

(2) Refers to the premium of the Exchange Ratio to the implied exchange ratio based on the respective VWAPs for each period

We note that the Exchange Ratio as per the Scheme Consideration of 1.970x represents a premia / (discount) of (1.1)%, 0.1%, 1.1%, 0.5% and 9.1% over the implied exchange ratio between the ESR-REIT Units and the ALOG Units of 1.992x, 1.969x, 1.948x, 1.960x, and 1.806x as at the Last Undisturbed Trading Date, and for the 1-month, 3-month, 6-month, and 12-month periods prior to the Last Undisturbed Trading Date respectively.

We wish to highlight that our analysis of the past price performance of the ALOG Units and ESR-REIT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Enlarged REIT, prevailing economic conditions, economic outlook, market conditions and sentiments.

12.4.4 Pro forma financial effects of the Merger

12.4.4.1 Pro forma consolidated financial effects of the Merger for the year ended 31 December 2020

The *pro forma* financial effects of the Merger (and the related transactions in connection therewith) on (a) ESR-REIT's DPU, (b) the NAV per ESR-REIT Unit, (c) the NTA per ESR-REIT Unit, and (d) the aggregate leverage of ESR-REIT as set out in Paragraph 12 to the Letter to ESR-REIT Unitholders are for illustrative purposes only and do not reflect the actual financial performance or position of ESR-REIT after the Merger. The financial effects of the Merger have been prepared based on ESR-REIT's and ALOG's audited consolidated financial statements for the financial year ended 31 December 2020 ("FY2020"), after making certain adjustments that are directly attributable to the Merger.

We recommend the ARCC and the ESR-REIT Recommending Directors advise the ESR-REIT Unitholders to read those pages of the Letter to ESR-REIT Unitholders carefully, in particular the bases and assumptions relating to the preparation of the *pro forma* financial effects of the Merger as set out in Appendix D of the Circular.

We set out below the following *pro forma* financial analysis of the Merger that is prepared for illustrative purposes only.

“PRO FORMA FINANCIAL EFFECTS OF THE MERGER

(a) Pro Forma DPU for FY2020

The pro forma financial effects of the Merger on the amount available for distribution to ESR-REIT Unitholders, the number of ESR-REIT Units and ESR-REIT's DPU, and the accretion thereof, for FY2020, assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions (as defined herein), the FY2021 ESR-REIT Divestments (as defined herein), the ESR-REIT EFR (as defined herein), the FY2021 ALOG Acquisitions (as defined herein), the FY2021 ALOG Divestments (as defined herein) and the ALOG EFR (as defined herein) were completed on 1 January 2020, are as follows:

	ESR-REIT for FY2020		Effects of the merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments and ESR-REIT EFR	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR and the Merger
Amount available for distribution (S\$'000)	99,127	109,155	189,995
Applicable Number of ESR-REIT Units ('000)	3,540,250	3,933,498	6,540,541
DPU (cents)	2.800	2.775	2.905
Accretion (%)			4.7

(b) NAV and NTA per ESR-REIT Unit for FY2020

The pro forma financial effects of the Merger on the NAV and NTA, the number of ESR-REIT Units, and NAV and NTA per ESR-REIT Unit, and the accretion thereof, as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ESR-REIT Revaluation (as defined below) were completed on 31 December 2020, are as follows:

	ESR-REIT as at 31 December 2020		Effects of the merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments and ESR-REIT EFR and ESR-REIT Revaluation	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR, ESR-REIT Revaluation and the Merger
NAV and NTA (S\$'000)	1,446,990	1,597,984	2,420,307
Number of issued ESR-REIT Units ('000)	3,576,362	3,969,252	6,572,594
NAV and NTA per ESR-REIT Unit (cents)	40.5	40.3	36.8
Dilution (%)			(8.5)

(c) Aggregate Leverage for FY2020

The pro forma financial effects of the Merger on ESR-REIT's aggregate leverage as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ESR-REIT Revaluation were completed on 31 December 2020, are as follows:

	ESR-REIT as at 31 December 2020		Effects of the merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments and ESR-REIT EFR and ESR-REIT Revaluation	After the FY2021 ESR-REIT Acquisitions, FY2021 ESR-REIT Divestments, ESR-REIT EFR, ESR-REIT Revaluation and the Merger
Aggregate leverage (%)	41.6%	39.4%	42.1%

The pro forma financial effects of the Merger (and the related transactions in connection therewith) on (a) ESR-REIT's DPU; (b) the NAV and NTA per ESR-REIT Unit; and (c) the aggregate leverage of ESR-REIT for FY2021 are set out as follows:

(a) DPU for FY2021

The pro forma financial effects of the Merger on the amount available for distribution to ESR-REIT Unitholders, the number of ESR-REIT Units and ESR-REIT's DPU, and the accretion thereof, for FY2021, assuming that the Merger had been completed on 1 January 2021 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2021, are as follows:

	Effects of the Merger – ESR-LOGOS REIT basis	
	Actual	After the Merger
Amount available for distribution (S\$'000)	114,393	192,817
Applicable Number of ESR-REIT Units ('000)	3,829,695	6,348,527 ⁽¹⁾
DPU (cents)	2.987	3.037
Accretion (%)		1.7

(1) Includes approximately 2,478.5 million new ESR-REIT Units that would be allotted and issued as part of the Scheme Consideration, based on the applicable number of ALOG Units for FY2021.

(b) NAV and NTA per ESR-REIT Unit for FY2021

The pro forma financial effects of the Merger on the NAV and NTA, the number of ESR-REIT Units, and NAV and NTA per ESR-REIT Unit, and the accretion thereof, as at 31 December 2021, assuming that the Merger had been completed on 31 December 2021 are as follows:

	Effects of the Merger – ESR-LOGOS REIT basis	
	Actual	After the Merger
NAV and NTA (S\$'000)	1,597,968	2,391,771
Number of issued ESR-REIT Units ('000)	4,030,257	6,637,873
NAV and NTA per ESR-REIT Unit (cents)	39.6	36.0
Dilution (%)		(9.1)

(c) Aggregate Leverage for FY2021

The pro forma financial effects of the Merger on ESR-REIT's aggregate leverage as at 31 December 2021, assuming that the Merger had been completed on 31 December 2021 are as follows:

	Effects of the Merger – ESR-LOGOS REIT basis	
	Actual	After the Merger
Aggregate leverage (%)	40.0%	42.4%

For illustrative purposes only, we note the following from the tables above

- a) With respect to the pro forma financial impact of the Merger on ESR-REIT based on the audited consolidated financial statements for FY2020:
- (i) the pro forma DPU for FY2020 of ESR-REIT would increase from 2.800 Singapore cents to 2.905 Singapore cents, representing an accretion of 4.7%;
 - (ii) the pro forma NAV per ESR-REIT Unit for FY2020 would decrease from 40.5 Singapore cents to 36.8 Singapore cents, representing a dilution of 8.5%;
 - (iii) the pro forma NTA per ESR-REIT Unit for FY2020 would decrease from 40.5 Singapore cents to 36.8 Singapore cents, representing a dilution of 8.5%; and
 - (iv) the pro forma aggregate leverage of ESR-REIT for FY2020 would increase from 41.6% to 42.1%, representing an increase of 0.5%.
- b) With respect to the pro forma financial impact of the Merger on ESR-REIT based on the audited consolidated financial statements for FY2021:
- (i) the pro forma DPU for FY2021 of ESR-REIT would increase from 2.987 Singapore cents to 3.037 Singapore cents, representing an accretion of 1.7%;
 - (ii) the pro forma NAV per ESR-REIT Unit for FY2021 would decrease from 39.6 Singapore cents to 36.0 Singapore cents, representing a dilution of 9.1%;
 - (iii) the pro forma NTA per ESR-REIT Unit for FY2021 would decrease from 39.6 Singapore cents to 36.0 Singapore cents, representing a dilution of 9.1%; and
 - (iv) the pro forma aggregate leverage of ESR-REIT for FY2021 would increase from 40.0% to 42.4%, representing an increase of 2.4%.

12.4.4.2 Bases and assumptions underlying the pro forma financial effects of the merger

The bases and assumptions on which the *pro forma* financial effects of the Merger have been prepared are also set out in **Appendix D** to this Circular. Summarised extracts are set out in italics below:

“BASES AND ASSUMPTIONS UNDERLYING THE PRO FORMA FINANCIAL EFFECTS OF THE MERGER

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT’s DPU for FY2020

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the audited consolidated financial statements of the ESR-REIT Group for FY2020 which were announced on 7 April 2021 (“ESR-REIT FY2020 Financial Statements”) and the consolidated audited financial statements of ALOG for FY2020 which were announced on 8 April 2021 (“ALOG FY2020 Financial Statements”), for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT’s DPU for FY2020

The assumptions are set out as follows:

The unaudited NAV, NTA, Aggregate Leverage and pro-forma DPU as at 1 January 2020 as if:

- (a) the Merger had occurred on 1 January 2020;
- (b) the following acquisitions by ESR-REIT had occurred on 1 January 2020:
 - (i) the acquisition of 10.0% interest in EALP which was actually completed on 14 May 2021; and
 - (ii) the acquisition of 46A Tanjong Penjuru which was actually completed on 29 June 2021;

(collectively, the “**FY2021 ESR-REIT Acquisitions**”), and a full year pro forma financial effect from the FY2021 ESR-REIT Acquisitions was included;
- (c) the following divestments by ESR-REIT had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:
 - (i) the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East as announced on 28 April 2021; and
 - (ii) the divestment of 45 Changi South Avenue 2 as announced on 30 August 2021;

(collectively, the “**FY2021 ESR-REIT Divestments**”), and the actual financial information of the FY2021 ESR-REIT Divestments for FY2020 were excluded from the pro forma financial effects of the Merger;
- (d) the ESR-REIT equity fund raising comprising a private placement of 268,818,000 new ESR-REIT Units and a preferential offering of 124,071,569 new ESR-REIT Units (the “**ESR-REIT EFR**”), which were actually completed on 18 May 2021 and 26 August 2021 respectively and raised gross proceeds of S\$149.6 million to partially finance the FY2021 ESR-REIT Acquisitions, had occurred on 1 January 2020;
- (e) the following acquisitions by ALOG had occurred on 1 January 2020:
 - (i) the acquisition of 47 Logistics Place, Larapinta, Queensland located in Australia which was actually completed on 16 April 2021;
 - (ii) the acquisition of (1) 1-5 & 2-6 Bishop Drive, (2) 8 Curlew Street, and (3) 53 Peregrine Drive, all located in Port of Brisbane, Queensland, Australia which was actually completed on 21 April 2021;
 - (iii) the acquisition of a 49.5% interest in the New LAIVS Trust and a 40.0% interest in the Oxford Property Fund which was actually completed on 16 April 2021; and
 - (iv) completion of the development and acquisition of the Heron Property which was completed on 11 January 2022,

(collectively, the **"FY2021 ALOG Acquisitions"**), and a full year pro forma financial effect from the FY2021 ALOG Acquisitions was included;

(f) the following divestments by ALOG had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:

- a. the divestment of 3 Changi South Street 3, also known as ALOG Changi DistriCentre 2, as announced on 22 April 2021; and
- b. the divestment of 404-450 Findon Road, Kidman Park, South Australia in Australia as announced on 26 April 2021,

(collectively, the **"FY2021 ALOG Divestments"**), and the actual financial information of the FY2021 ALOG Divestments for FY2020 was excluded from the pro forma financial effects of the Merger;

(g) the ALOG equity fundraising comprising a private placement of 90,498,000 new ALOG Units and a preferential offering of 91,112,930 new ALOG Units (**"ALOG Equity Fundraising"**, and together with the ALOG Subscription Units Issuance, the **"ALOG EFR"**), which were actually completed on 11 November 2020 and 25 January 2021 respectively, and raised gross proceeds of S\$100.3 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;

(h) the issuance of 126,696,800 new ALOG Units to Ivanhoe Cambridge Asia, and 33,846,100 new ALOG Units to LOGOS Units (the **"ALOG Subscription Units Issuance"**) which was actually completed on 16 April 2021 and raised gross proceeds of S\$88.7 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;

(i) the ESR-REIT Real Properties and the EALP Real Properties held as at 30 September 2021 were revalued in FY2020 based on their latest actual independent valuations as at 30 September 2021 (the **"ESR-REIT Revaluation"**);

(j) the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 1 January 2020 based on their latest actual independent valuations as at 30 September 2021 and these valuations remained unchanged throughout FY2020;

(k) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the FY2020 ALOG FY2020 Financial Statements;

(l) based on the number of ALOG Units issued as at the Joint Announcement Date, the aggregate Scheme Consideration of approximately S\$1,406.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$140.7 million and the issuance of approximately 2,571.1 million new ESR-REIT Units;

(m) ALOG's total borrowings and related interest rate swaps amounting to an aggregate of approximately S\$768.7 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;

- (n) *the estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average “all-in” finance cost of 2.25% per annum, was paid to JTC at completion of the Merger and ESR-LOGOS REIT did not incur any land rent expenses for the ALOG SG Real Properties¹⁶ in FY2020;*
- (o) *acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 32.3 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;*
- (p) *ALOG’s asset management and trustee fee structures were replaced with the management fee and trustee fee structures in the ESR-REIT Trust Deed with effect from 1 January 2020. Consequently, no performance fee was paid by ESR-LOGOS REIT for FY2020 and approximately 74.1% of the asset management fees for ESR-LOGOS REIT was paid in ESR-REIT Units;*
- (q) *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 2.25% per annum;*
- (r) *transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off; and*
- (s) *excludes any other operational and trust level savings or potential synergies from the Merger.*

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT’s NAV and NTA per Unit and aggregate leverage as at 31 December 2020

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the ESR-REIT FY2020 Financial Statements which were announced on 7 April 2021 and the ALOG FY2020 Financial Statements which were announced on 8 April 2021, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT’s NAV and NTA per Unit and aggregate leverage as at 31 December 2020.

The assumptions are set out as follows:

The unaudited NAV, NTA, Aggregate Leverage and pro-forma DPU as at 1 January 2020 as if:

- (a) *the Merger had occurred on 31 December 2020;*
- (b) *the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments and the ESR-REIT EFR had occurred on 31 December 2020;*
- (c) *the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments and the ALOG EFR had occurred on 31 December 2020;*

¹⁶ "ALOG SG Real Properties" means the ALOG Real Properties which are located in Singapore.

- (d) *the ESR-REIT Real Properties, the EALP Real Properties, the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 31 December 2020 based on their latest actual independent valuations as at 30 September 2021;*
- (e) *the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the ALOG FY2020 Financial Statements;*
- (f) *based on the number of ALOG Units issued as at the Joint Announcement Date, the aggregate Scheme Consideration of approximately S\$1,406.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$140.7 million and the issuance of approximately 2,571.1 million new ESR-REIT Units;*
- (g) *ALOG's total borrowings and related interest rate swaps amounting to an aggregate of approximately S\$768.7 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;*
- (h) *estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger;*
- (i) *acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 32.3 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;*
- (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 2.25% per annum; and*
- (k) *transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off.*

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT's DPU for FY2021

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the ESR-REIT FY2021 Financial Statements and the ALOG FY2021 Financial Statements, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT's DPU for FY2021.

The assumptions are set out as follows:

- (a) *the Merger 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 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 ESR-REIT Units;*
- (e) *ALOG's total borrowings and related interest rate swaps of approximately S\$761.2 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$611.2 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;*
- (f) *the estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger and ESR-LOGOS REIT did not incur any land rent expenses for the ALOG SG Real Properties in FY2021;*
- (g) *acquisition fees of approximately S\$15.6 million pursuant to the Merger were paid by way of the issuance of approximately 31.7 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;*
- (h) *ALOG's asset management and trustee fee structures were replaced with the management fee and trustee fee structures in the ESR-REIT Trust Deed with effect from 1 January 2021. Consequently, no performance fee was paid by ESR-LOGOS REIT for FY2021 and approximately 75.0% of the asset management fees for ESR-LOGOS REIT was paid in ESR-REIT Units;*
- (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 2.25% 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; and*
- (k) *excludes any other operational and trust level savings or potential synergies from the Merger*

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT's NAV and NTA per Unit and aggregate leverage as at 31 December 2021

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the ESR-REIT FY2021 Financial Statements and the ALOG FY2021 Financial Statements, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT's NAV and NTA per Unit and aggregate leverage as at 31 December 2021.

The assumptions are set out as follows:

- (a) the Merger 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 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 the Latest Practicable Date, 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 2,575.9 million new ESR-REIT Units;*
- (e) ALOG's total borrowings and related interest rate swaps of approximately S\$761.2 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$611.2 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;*
- (f) estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger;*
- (g) acquisition fees of approximately S\$15.6 million pursuant to the Merger were paid by way of the issuance of approximately 31.7 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;*
- (h) 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 2.25% per annum; and*
- (i) transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off.*

12.4.5 Other relevant considerations which have a bearing on our assessment

12.4.5.1 Future Intentions for the Enlarged REIT

Paragraph 7 of the Letter to ESR-REIT Unitholders sets out certain information relating to the future intentions for the Enlarged REIT, assuming the completion of the Merger:

- (a) *“the enlarged ESR-REIT will be renamed as “ESR-LOGOS REIT”*
- (b) *the ESR-REIT Manager will be the manager of ESR-LOGOS REIT after completion of the Merger and Mr. Adrian Chui will continue to be the CEO of the ESR-REIT Manager while Ms. Karen Lee¹⁷ will join the ESR-REIT Manager as the Deputy CEO. The Nominating and Remuneration Committee of the ESR-REIT Manager will also review the composition of the board of directors of the ESR-REIT Manager as may be appropriate to align with ESR-LOGOS REIT’s future strategic direction, focus and corporate governance best practices. Such corporate governance practices include, amongst others, compliance with SFA regulations and Monetary Authority of Singapore (“MAS”) guidelines relating to the independence of the directors on the board of the manager and the duty of the manager to take all necessary steps to avoid conflicts of interest and to act in the best interests of unitholders (including, without limitation, the SFA, the Securities and Futures (Licensing and Conduct of Business) Regulations, the Code of Corporate Governance issued by the MAS on 6 August 2018 and the accompanying Practice Guidance, and the Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management Guideline No. SFA04-G07 issued by the MAS on 1 January 2016);*
- (c) *it is intended that ALOG’s existing outstanding loan facilities and related interest rate swaps of an aggregate amount of approximately S\$761.2 million will be fully refinanced;*
- (d) *post-Merger, ESR-LOGOS REIT will target to sell down a portfolio of non-core assets over the subsequent 18 to 24 months to further create a flagship new economy REIT; and*
- (e) *as ALOG will become a sub-trust of ESR-REIT upon completion of the Merger, the fee structure applicable to the manager of ESR-LOGOS REIT will be the fee structure which is currently applicable to the ESR-REIT Manager under the ESR-REIT Trust Deed. Please refer to Appendix C to the Scheme Document for further details with respect to the fees payable to the ESR-REIT Manager.*

ESR-LOGOS REIT’s larger portfolio will provide the opportunity and flexibility to re-evaluate the scale and risk-return profile of the AIEs to be undertaken, for both the existing ESR-REIT portfolio and the ALOG portfolio of real estate assets. This re-evaluation will include, amongst others, a review of the projected construction costs of identified AIE projects, given the better bargaining power of ESR-LOGOS REIT with service providers and reduced portfolio financial impact when undertaking AIEs, while taking into consideration the supply and demand dynamics of the industrial market over the next two (2) to three (3) years.

¹⁷ Ms. Karen Lee is currently the CEO of the ALOG Manager

12.4.5.2 **Financing**

Paragraph 9.5 of the Letter to ESR-REIT Unitholders sets out certain information relating to the method of financing:

*"In connection with the Merger and the Scheme, the ESR-REIT Trustee has entered into a commitment letter dated 11 October 2021 with DBS Bank Ltd, Malayan Banking Berhad, Singapore Branch, and Sumitomo Mitsui Banking Corporation Singapore Branch as Mandated Lead Arrangers and Bookrunners for the grant of new unsecured banking facilities of an aggregate of up to S\$835 million and A\$365 million (the **"New Facilities"**). The proceeds of the New Facilities will be applied towards the following purposes:*

- (a) the financing of the Cash Consideration of the Scheme;*
- (b) the refinancing in full of the indebtedness under existing loan facilities granted to the ALOG Trustee;*
- (c) the payment of costs, fees and expenses (including taxes) incurred in connection with the Scheme; and*
- (d) general working capital purposes for ESR-REIT.*

Based on the estimated total cost of the Merger of approximately S\$2,408.5 million as at the Latest Practicable Date, the aggregate amount of the New Facilities that is expected to be applied towards funding part of the total cost of the Merger is approximately S\$873.0 million."

12.4.5.3 **Break fee and reverse break fee**

Paragraphs 4.7(a) and 4.7(b) of the Letter to ESR-REIT Unitholders sets out certain information relating to the break fee and reverse break fee applicable to ARA LOGOS and ESR-REIT, respectively.

- (a) "Break Fee"*

Pursuant to the terms of the Implementation Agreement:

- (i) subject to the exercise of the Switch Option under the Implementation Agreement, the ALOG Trustee agrees and undertakes that it shall compensate the ESR-REIT Trustee and/or the ESR-REIT Manager for costs and expenses reasonably incurred by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ESR-REIT Trustee and/or the ESR-REIT Manager in connection with the Merger and/or the Scheme) (the "Break Fee"), if any of the following occurs:*

- (A) *the ESR-REIT Trustee or the ESR-REIT Manager terminates the Implementation Agreement pursuant to (1) a breach of representations and warranties by any of the ALOG Trustee or the ALOG Manager under the Implementation Agreement which is material in the context of the Scheme; or (2) a prescribed occurrence relating to the ALOG Group having occurred under the Implementation Agreement which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days (or such other period as the parties to the Implementation Agreement may mutually agree in writing) after being given notice by the ESR-REIT Trustee or the ESR-REIT Manager to do so; and/or*
- (B) *an ALOG Competing Proposal becomes or is declared unconditional in all respects or is completed or becomes effective (or the equivalent in respect of any of the foregoing),*

provided that the Break Fee will be capped at an amount equal to S\$7.5 million; and

- (ii) *the obligation to pay the Break Fee as described in this paragraph 4.7(a) shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the ALOG Trustee described in this paragraph 4.7(a), if any, have been satisfied.*

For the avoidance of doubt, no Break Fee is payable by the ALOG Trustee to the ESR-REIT Trustee in connection with the Revision and/or the amendment and restatement of the Implementation Agreement.

(b) Reverse Break Fee

Pursuant to the terms of the Implementation Agreement:

- (i) *the ESR-REIT Trustee agrees and undertakes that it shall compensate the ALOG Trustee and/or the ALOG Manager for costs and expenses reasonably incurred by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the ALOG Trustee and/or the ALOG Manager in connection with the Merger and/or the Scheme) (the "Reverse Break Fee"), if any of the following occurs:*
 - (A) *the ALOG Trustee or the ALOG Manager terminates the Implementation Agreement pursuant to (1) a breach of representations and warranties by any of the ESR-REIT Trustee or the ESR-REIT Manager under the Implementation Agreement which is material in the context of the Scheme; or (2) a prescribed occurrence relating to the ESR-REIT Group having occurred under the Implementation Agreement which is material in the context of the Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days (or such other period as the parties to the Implementation Agreement may mutually agree in writing) after being given notice by either of the ALOG Trustee or the ALOG Manager to do so; and/or*

- (B) *an ESR-REIT Competing Proposal becomes or is declared unconditional in all respects or is completed or becomes effective (or the equivalent in respect of any of the foregoing),*

provided that the Reverse Break Fee will be capped at an amount equal to S\$7.5 million; and

- (ii) *the obligation to pay the Reverse Break Fee as described in this paragraph 4.7(b) shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the ALOG Trustee described in this paragraph 4.7(b), if any, have been satisfied."*

For the avoidance of doubt, no Reverse Break Fee is payable by the ESR-REIT Trustee to the ALOG Trustee in connection with the Revision and/or the amendment and restatement of the Implementation Agreement.

We note that the maximum amount of the Break Fee (payable to ESR-REIT) of S\$7.5 million is equal to the maximum amount of the Reverse Break Fee (payable to ARA LOGOS) of S\$7.5 million pursuant to the Implementation Agreement.

12.4.5.4 Conditions to complete the Merger

We note that the Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of certain conditions precedent.

We wish to highlight to ESR-REIT Unitholders that should any of these conditions not be met (or where applicable, waived), the Scheme will not proceed notwithstanding that the Merger has been approved by ESR-REIT Unitholders at the EGM. Please refer to Appendix B of the Circular for the full list of conditions precedent to the Scheme.

12.4.5.5 Permitted distributions

Paragraph 4.4 of the Letter to ESR-REIT Unitholders sets out certain information relating to permitted distributions.

We note that the ESR-REIT Manager reserves the right to adjust the Scheme Consideration by reducing the cash component of the Scheme Consideration, the unit component of the Scheme Consideration or by any combination of such cash and unit components of the Scheme Consideration, if and to the extent any distribution in excess of the ALOG Permitted Distributions is announced, declared, made or paid by the ALOG Manager on or after the date of the Implementation Agreement.

13 RECOMMENDATION

In arriving at our Opinion as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority ESR-REIT Unitholders, we evaluated whether the gross exchange ratio of 1.970x is fair and reasonable based on whether the Consideration Units and ALOG Units are fairly valued based on the Consideration Unit Issue Price and the Scheme Consideration, respectively, and have considered, *inter alia*, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:

- (a) The completion of the Merger will solidify ESR-REIT's position as a leading REIT with the overall asset size increasing from S\$3.4 billion prior to the Merger to approximately S\$5.4 billion. As a result of an increase in market capitalisation, the Enlarged REIT may experience an increase in trading liquidity, investor coverage as well as a wider and more diversified investor base, higher trading liquidity, increased analyst coverage and a potential positive re-rating of its unit price, which would be beneficial to the Enlarged REIT unitholders;
- (b) Based on the FY2020 *pro forma* financials, the Merger is accretive to ESR-REIT Unitholders on a DPU basis but dilutive on an NAV per ESR-REIT Unit and NTA per ESR-REIT Unit basis;
- (c) The Merger will arguably provide ESR-REIT Unitholders with, *inter alia*:
 - i. asset class, geographical (Singapore / Australia exposure) and lease type (freehold / leasehold) diversification benefits;
 - ii. a stronger portfolio overall with superior occupancy rates, larger properties and a longer Weighted Average Lease Expiry on average for the Enlarged REIT;
 - iii. operational synergies and portfolio optimisation potential;
 - iv. organic and inorganic growth opportunities; and
 - v. more competitive costs of capital, supporting the future growth of the Enlarged REIT as compared to ESR-REIT on a standalone basis.
- (d) The Merger will significantly increase ESR-REIT's exposure to the New Economy sector, reaching the sector mix targeted by the Management. We have considered the scarcity of the opportunity, without which the Management believes it could take a few years to reach the same level of exposure to New Economy. Also, as the New Economy is supported by strong underlying drivers and market trends, the pro-forma sector mix of the Enlarged Entity could result in a potential positive re-rating should the market give credit for it.
- (e) The Merger will address the issue of overlapping mandates and potential conflicts of interests. Following completion of the Proposed ARA Acquisition on 20 January, the ESR Group is now an indirect majority controlling shareholder of the LOGOS Group. With ESR-REIT and ALOG sharing a common sponsor, there is a potential for overlapping mandates in relation to asset pipeline, tenant and operational network, and financial resources. The Merger will address the issue of overlapping mandates and potential conflicts and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders.
- (f) The Merger will provide ESR-REIT Unitholders increased exposure to the Australian Industrial sector which is experiencing a compression of capitalisation rates due to strong underlying fundamentals such as elevated take up rates, low vacancy and strong rental growth in 4Q2021 (as defined herein), which is expected to continue over the next 12 months.

In the evaluation of the Consideration Unit Issue Price:

1. Liquidity analysis of the ESR-REIT Units and the Top 30 STI Companies indicate that there is reasonable liquidity in the ESR-REIT Units and that the market prices of the ESR-REIT Units should generally reflect the fundamental, market-based value of the ESR-REIT Units;
2. The historical market performance and trading activity of the ESR-REIT Units indicate that:
 - (i) the Consideration Unit Issue Price of S\$0.4924 represents a premium of 5.9% to the closing price of the ESR-REIT Units on the Last Undisturbed Trading Date;
 - (ii) the Consideration Unit Issue Price of S\$0.4924 represents a premium of 4.5%, 5.0%, 10.1% and 14.0% to the 1-month, 3-month, 6-month and 12-month VWAPs of the ESR-REIT Units up to and including the Last Undisturbed Trading Date, respectively; and
 - (iii) the average daily trading volume of the ESR-REIT Units as a percentage of the free float ranged between 0.33% and 0.75%, in the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date;
3. The comparison of the Latest P/NAV multiple implied by the Consideration Unit Issue Price of 1.24x to the trailing Latest P/NAV multiples of the ESR-REIT Units indicates that the Latest P/NAV multiple of 1.24x implied by the Consideration Unit Issue Price is:
 - (i) within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.94x to 1.32x and above the mean and median of 1.12x, over the 6-month period up to and including the Last Undisturbed Trading Date;
 - (ii) within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.84x to 1.32x and above the mean and median of 1.04x and 1.01x, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
 - (iii) within the range of the trailing Latest P/NAV multiples of the ESR-REIT Units of 0.56x to 1.76x and above the mean and median of 1.11x and 1.12x, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;
4. The comparison of the LTM DY of the ESR-REIT Units implied by the Consideration Unit Issue Price of 6.5% to the trailing LTM DYs of the ESR-REIT Units indicates that the LTM DY of 6.5% implied by the Consideration Unit Issue Price is:
 - (i) within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 8.2% and below the mean and median of 7.3%, over the 6-month period up to and including the Last Undisturbed Trading Date;
 - (ii) within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 8.7% and below the mean and median of 7.5% and 7.6%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and

- (iii) within the range of the trailing LTM DYs of the ESR-REIT Units of 6.3% to 14.7% and below the mean and median of 7.4% and 7.1%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;
- 5. The comparison of the LTM Implied NPI Yield of the ESR-REIT Units implied by the Consideration Unit Issue Price of 4.9% to the trailing LTM Implied NPI Yields of the ESR-REIT Units indicates that the LTM Implied NPI Yield of 4.9% implied by the Consideration Unit Issue Price is:
 - (i) within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 4.6% to 5.4% and in line with the mean and median of 5.0%, over the 6-month period up to and including the Last Undisturbed Trading Date;
 - (ii) within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 4.6% to 5.9% and below the mean and median of 5.3%, over the 12-month period up to and including the Last Undisturbed Trading Date; and
 - (iii) within the range of the trailing LTM Implied NPI Yields of the ESR-REIT Units of 3.5% to 7.7% and below the mean and median of 5.1% and 5.3%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;
- 6. The comparison of valuation multiples implied by the Consideration Unit Issue Price to those of the Selected Mid-Cap Comparable Industrial S-REITs indicates that:
 - (i) the Latest P/NAV multiple implied by the Consideration Unit Issue Price of 1.24x is above the range of the Latest P/NAV multiples of the Mid-Cap Comparable Industrial S-REITs of 0.87x to 1.01x and above the mean and median of 0.94x;
 - (ii) the LTM DY implied by the Consideration Unit Issue Price of 6.5% is below the range of the LTM DYs of the Mid-Cap Comparable Industrial S-REITs of 6.8% and 7.1% and below the mean and median of 7.0%; and
 - (iii) the LTM Implied NPI Yield implied by the Consideration Unit Issue Price of 4.9% is below the range of the LTM Implied NPI Yields of the Mid-Cap Comparable Industrial S-REITs of 5.4% and 6.2% and below the mean and median of 5.8%;
- 7. The comparison of premium / (discount) of the ESR-REIT Units as implied by the Consideration Unit Issue Price to the equivalent premia / (discount) offered in the Precedent Transactions indicates that:
 - (i) the premium of 5.9% implied by the Consideration Unit Issue Price over the closing price of the ESR-REIT Units on the Last Undisturbed Trading Date is above the range of the equivalent premia / (discount) offered in the Precedent Transactions of (4.4)% and 0.0% and above the mean and median of (0.9)% and 0.0%, respectively;
 - (ii) the premium of 10.1% implied by the Consideration Unit Issue Price over the 6-month VWAP of the ESR-REIT Units up to and including the Last Undisturbed Trading Date is above the range of the equivalent premia / (discount) offered in the Precedent Transactions of (4.8)% and 8.9% and above the mean and median of 1.8% and 1.6%, respectively; and

- (iii) the premium of 14.0% implied by the Consideration Unit Issue Price over the 12-month VWAP of the ESR-REIT Units up to and including the Last Undisturbed Trading Date is above the range of the equivalent premia / (discount) offered in the Precedent Transactions of (5.6)% and 12.8% and above the mean and median of 3.3% and 4.9%, respectively;

In the evaluation of the Scheme Consideration:

1. Liquidity analysis of the ALOG Units and the Top 30 STI Companies indicate that there is reasonable liquidity in the ALOG Units and that the market prices of the ALOG Units should generally reflect the fundamental, market-based value of the ALOG Units;
2. The historical market performance and trading activity of the ALOG Units indicate that:
 - (i) the Scheme Consideration of S\$0.970 represents a premium of 3.7% to the closing price of the ALOG Units on the Last Undisturbed Trading Date;
 - (ii) the Scheme Consideration of S\$0.970 represents a premium of 4.5%, 6.2%, 10.7% and 24.4% to the 1-month, 3-month, 6-month and 12-month VWAPs of the ALOG Units up to and including the Last Undisturbed Trading Date, respectively; and
 - (iii) the average daily trading volume of the ALOG Units as a percentage of the free float ranged between 0.31% and 0.59%, in the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Undisturbed Trading Date;
3. The comparison of the Latest P/NAV multiple implied by the Scheme Consideration of 1.44x to the trailing Latest P/NAV multiples of the ALOG Units indicates that the Latest P/NAV multiple of 1.44x implied by the Scheme Consideration is:
 - (i) within the range of the trailing Latest P/NAV multiples of the ALOG Units of 1.24x to 1.64x and in line with the mean and median of 1.41x and 1.37x, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;
 - (ii) within the range of the trailing Latest P/NAV multiples of the ALOG Units of 0.99x to 1.64x and above with the mean and median of 1.32x and 1.33x, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
 - (iii) within the range of the trailing Latest P/NAV multiples of the ALOG Units of 0.61x to 1.64x and is above the mean and median of 1.16x and 1.13x, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;
4. The comparison of the LTM DY of the ALOG Units implied by the Scheme Consideration of 5.7% to the trailing LTM DYs of the ALOG Units indicates that the LTM DY of 5.7% implied by the Scheme Consideration is:
 - (i) below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 7.9% and below the mean and median of 6.7% and 6.2%, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;

- (ii) below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 10.2% and below the mean and median of 7.6% and 7.4%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
 - (iii) below the range of the trailing LTM DYs of the ALOG Units of 5.8% to 15.4% over the 36-month period up to and including the Last Undisturbed Trading Date and below the mean and median of 8.1% and 8.0%, respectively;
- 5. The comparison of the LTM Implied NPI Yield of the ALOG Units implied by the Scheme Consideration of 4.2% to the trailing LTM Implied NPI Yields of the ALOG Units indicates that the LTM Implied NPI Yield of 4.2% implied by the Scheme Consideration is:
 - (i) within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 4.7% and within the range of the mean and median of 4.3% and 4.2%, respectively, over the 6-month period up to and including the Last Undisturbed Trading Date;
 - (ii) within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 6.7% and below the mean and median of 5.1% and 4.6%, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date; and
 - (iii) within the range of the trailing LTM Implied NPI Yields of the ALOG Units of 4.1% to 8.0% and below the mean and median of 6.0% and 6.3%, respectively, over the 36-month period up to and including the Last Undisturbed Trading Date;
- 6. The comparison of valuation multiples implied by the Scheme Consideration to those of the Selected Mid-Cap Comparable Industrial S-REITs indicates that:
 - (i) the Latest P/NAV multiple implied by the Scheme Consideration of 1.44x is above the range of the Latest P/NAV multiples of the Mid-Cap Comparable Industrial S-REITs of 0.87x to 1.01x and is above the mean and median of 0.94x;
 - (ii) the LTM DY implied by the Scheme Consideration of 5.7% is below the range of the LTM DYs of the Mid-Cap Comparable Industrial S-REITs of 6.8% and 7.1% and is below the mean and median of 7.0%; and
 - (iii) the LTM Implied NPI Yield implied by the Scheme Consideration of 4.2% is below the range of the LTM Implied NPI Yields of the Mid-Cap Comparable Industrial S-REITs of 5.4% and 6.2% and is below with the mean and median of 5.8%;
- 7. The comparison of valuation multiples implied by the Scheme Consideration to those of the Selected Comparable Industrial A-REITs indicates that:
 - (i) the Latest P/NAV multiple implied by the Scheme Consideration of 1.44x is above the range of the Latest P/NAV multiples of the Selected Comparable Industrial A-REITs of 0.92x to 0.94x and is above the mean and median of 0.93x;

- (ii) the LTM DY implied by the Scheme Consideration of 5.7% is above the range of the LTM DYs of the Selected Comparable Industrial A-REITs of 4.5% and 5.4% and is above the mean and median of 5.0%; and'
 - (iii) the LTM Implied NPI Yield implied by the Scheme Consideration of 4.2% is above the range of the LTM Implied NPI Yields of the Selected Comparable Industrial A-REITs of 2.9% and 3.4% and is above the mean and median of 3.1%;
- 8. The comparison of premium / (discount) of the ALOG Units as implied by the Scheme Consideration to the equivalent premia / (discount) offered in the Precedent Transactions indicates that:
 - (i) the premium of 43.7% implied by the Scheme Consideration over the prevailing ALOG P/NAV as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of (5.5)% and 26.4% and is above the mean and median of 7.8% and 5.0%, respectively;
 - (ii) the premium of 10.7% implied by the Scheme Consideration over the 6-month VWAP of the ALOG Units up to and including the Last Undisturbed Trading Date is within the range of the equivalent premia / (discount) offered in the Precedent Transactions of 1.5% and 24.2% and is above the mean and median of 9.5% and 5.1%, respectively; and
 - (iii) the premium of 24.4% implied by the Scheme Consideration over the 12-month VWAP of the ALOG Units up to and including the Last Undisturbed Trading Date is within the range of the equivalent premia / (discount) offered in the Precedent Transactions of 0.4% and 31.9% and is above the mean and median of 12.4% and 8.5%, respectively;

In the evaluation of the Exchange Ratio:

- 1. The comparison of the Exchange Ratio to the exchange ratio as implied by the closing prices of the ESR-REIT Units and ALOG Units indicates that:
 - (i) The Exchange Ratio of 1.970x represents a premia / (discount) of (1.1)%, 0.1%, 1.1%, 0.5% and 9.1% over the implied exchange ratio between the ESR-REIT Units and the ALOG Units of 1.992x, 1.969x, 1.948x, 1.960x, and 1.806x as at the Last Undisturbed Trading Date, and for the 1-month, 3-month, 6-month, and 12-month periods prior to the Last Undisturbed Trading Date respectively; and

Other relevant considerations which have a significant bearing on our assessment, in relation to:

- 1. We note that the proportion of the Scheme Consideration to be paid in cash is within the range of 5.0% to 16.0% of the cash components paid in the Precedent Transactions;
- 2. In determining the carrying values of the ALOG Real Properties and the ALOG Fund Real Properties, the ESR-REIT 805 Auditor had also considered the valuations of these properties concluded by the ALOG Group, the New LAIVS Trust and the Oxford Property Fund as of 31 December 2021, which have not materially changed when compared to the carrying values as at 30 September 2021, in assessing the robustness of the valuations as at 30 September 2021; and

3. The Merger being an interested person transaction and interested party transaction.

Tables 19 and 20 summarise the abovementioned key financial analyses performed.

Table 19. Summary analysis of the Consideration Unit Issue Price

Metric	Min ⁽¹⁾	Max ⁽¹⁾	Mean ⁽¹⁾	Median ⁽¹⁾	Merger as at LUTD ⁽²⁾	Min - Max Range ^{(3),(4)}	Mean - Median Range ^{(3),(4)}
Summary analysis of the Consideration Unit Issue Price							
Historical trading range of the ESR-REIT Units							
Closing price (S\$) - 3-month period up to the LUTD	0.43	0.51	0.46	0.47	0.49	Within	Above
Closing price (S\$) - 6-month period up to the LUTD	0.38	0.51	0.43	0.44	0.49	Within	Above
Closing price (S\$) - 12-month period up to the LUTD	0.34	0.51	0.41	0.40	0.49	Within	Above
Closing price (S\$) - 3-year period up to the LUTD	0.24	0.56	0.46	0.47	0.49	Within	Above
Trailing P/NAV multiples							
As at the LUTD	1.17x	1.17x	1.17x	1.17x	1.24x	Above	Above
6-month period up to the LUTD	0.94x	1.32x	1.12x	1.12x	1.24x	Within	Above
12-month period up to the LUTD	0.84x	1.32x	1.04x	1.01x	1.24x	Within	Above
36-month period up to the LUTD	0.56x	1.76x	1.11x	1.12x	1.24x	Within	Above
Trailing Distribution Yields							
As at the LUTD	6.9%	6.9%	6.9%	6.9%	6.5%	Below	Below
6-month period up to the LUTD	6.3%	8.2%	7.3%	7.3%	6.5%	Within	Below
12-month period up to the LUTD	6.3%	8.7%	7.5%	7.6%	6.5%	Within	Below
36-month period up to the LUTD	6.3%	14.7%	7.4%	7.1%	6.5%	Within	Below
Trailing Implied NPI Yields⁽⁵⁾							
As at the LUTD	4.8%	4.8%	4.8%	4.8%	4.9%	In line	In line
6-month period up to the LUTD	4.6%	5.4%	5.0%	5.0%	4.9%	Within	In line
12-month period up to the LUTD	4.6%	5.9%	5.3%	5.3%	4.9%	Within	Below
36-month period up to the LUTD	3.5%	7.7%	5.1%	5.3%	4.9%	Within	Below
Trading Multiples of Selected Comparable Industrial S-REITs							
Mid-Cap Comparable Industrial S-REITs							
Latest P/NAV Multiples	0.87x	1.01x	0.94x	0.94x	1.24x	Above	Above
LTM Distribution Yield	6.8%	7.1%	7.0%	7.0%	6.5%	Below	Below
LTM Implied NPI Yield ⁽⁵⁾	5.4%	6.2%	5.8%	5.8%	4.9%	Below	Below
Large-Cap Comparable Industrial S-REITs (Secondary Comparables Set)							
Latest P/NAV Multiples	1.14x	1.42x	1.26x	1.24x	1.24x	Within	Within
LTM Distribution Yield	4.9%	5.4%	5.3%	5.4%	6.5%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	4.5%	5.0%	4.7%	4.7%	4.9%	Within	In line
Precedent Transactions of Selected S-REIT Mergers							
Premium / (discount) to Closing price as at last trading date	(4.4%)	0.0%	(0.9%)	0.0%	5.9%	Above	Above
Premium / (discount) over 6-month VWAP	(4.8%)	8.9%	1.8%	1.6%	10.1%	Above	Above
Premium / (discount) over 12-month VWAP	(5.6%)	12.8%	3.3%	4.9%	14.0%	Above	Above

Sources: FactSet, Bloomberg, SGX, company filings on the SGX-ST

- (1) Minimum, maximum, mean and median of the respective benchmarks
- (2) Implied by the Merger as at the LUTD (14 October 2021)
- (3) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks
- (4) A metric is classified as "In line" when the parameters implied by the Merger are within a 5% range of the average of the minimum and maximum or the mean and median, as applicable, of the respective benchmarks
- (5) The LTM Implied NPI Yield is calculated by dividing the net property income over the prior 12 months by the enterprise value implied by the Consideration Unit Issue Price (please refer to Table 4 in this Letter for more details)

Table 20. Summary analysis of the Scheme Consideration

Metric	Min ⁽¹⁾	Max ⁽¹⁾	Mean ⁽¹⁾	Median ⁽¹⁾	Merger as at LUTD ⁽²⁾	Min - Max Range ^{(3),(4)}	Mean - Median Range ^{(3),(4)}
Summary Analysis of the Scheme Consideration							
Historical trading range of the ALOG Units							
Closing price (S\$) - 3-month period up to the LUTD	0.87	0.95	0.90	0.90	0.97	Above	Above
Closing price (S\$) - 6-month period up to the LUTD	0.74	0.95	0.85	0.88	0.97	Above	Above
Closing price (S\$) - 12-month period up to the LUTD	0.57	0.95	0.75	0.74	0.97	Above	Above
Closing price (S\$) - 3-year period up to the LUTD	0.36	0.95	0.70	0.71	0.97	Above	Above
Trailing P/NAV multiples							
As at the LUTD	1.39x	1.39x	1.39x	1.39x	1.44x	Above	Above
6-month period up to the LUTD	1.24x	1.64x	1.41x	1.37x	1.44x	Within	In line
12-month period up to the LUTD	0.99x	1.64x	1.32x	1.33x	1.44x	Within	Above
36-month period up to the LUTD	0.61x	1.64x	1.16x	1.13x	1.44x	Within	Above
Trailing Distribution Yields							
As at the LUTD	5.9%	5.9%	5.9%	5.9%	5.7%	In line	In line
6-month period up to the LUTD	5.8%	7.9%	6.7%	6.2%	5.7%	Below	Below
12-month period up to the LUTD	5.8%	10.2%	7.6%	7.4%	5.7%	Below	Below
36-month period up to the LUTD	5.8%	15.4%	8.1%	8.0%	5.7%	Below	Below
Trailing Implied NPI Yields⁽⁵⁾							
As at the LUTD	4.1%	4.1%	4.1%	4.1%	4.2%	In line	In line
6-month period up to the LUTD	4.1%	4.7%	4.3%	4.2%	4.2%	Within	Within
12-month period up to the LUTD	4.1%	6.7%	5.1%	4.6%	4.2%	Within	Below
36-month period up to the LUTD	4.1%	8.0%	6.0%	6.3%	4.2%	Within	Below
Trading Multiples of Selected Comparable Industrial REITs							
Mid-Cap Comparable Industrial S-REITs							
Latest P/NAV Multiples	0.87x	1.01x	0.94x	0.94x	1.44x	Above	Above
LTM Distribution Yield	6.8%	7.1%	7.0%	7.0%	5.7%	Below	Below
LTM Implied NPI Yield ⁽⁵⁾	5.4%	6.2%	5.8%	5.8%	4.2%	Below	Below
Selected Comparable Industrial A-REITs							
Latest P/NAV Multiples	0.92x	0.94x	0.93x	0.93x	1.44x	Above	Above
LTM Distribution Yield	4.5%	5.4%	5.0%	5.0%	5.7%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	2.9%	3.4%	3.1%	3.1%	4.2%	Above	Above
Large-Cap Comparable Industrial S-REITs (Secondary Comparables Set)							
Latest P/NAV Multiples	1.14x	1.42x	1.26x	1.24x	1.44x	Above	Above
LTM Distribution Yield	4.9%	5.4%	5.3%	5.4%	5.7%	Above	Above
LTM Implied NPI Yield ⁽⁵⁾	4.5%	5.0%	4.7%	4.7%	4.2%	Below	Below
Precedent Transactions of Selected S-REIT Mergers							
Premium / (discount) to NAV	(5.5%)	26.4%	7.8%	5.0%	43.7%	Above	Above
Premium / (discount) over 6-month VWAP	1.5%	24.2%	9.5%	5.1%	10.7%	Within	Above
Premium / (discount) over 12-month VWAP	0.4%	31.9%	12.4%	8.5%	24.4%	Within	Above
Precedent Takeovers Premia							
General Singapore Takeovers							
Premium / (discount) to Closing price as at last trading date	(0.0%)	88.1%	23.1%	16.5%	3.7%	Within	Below
Premium / (discount) over 1-month VWAP	0.3%	105.2%	29.3%	24.0%	4.5%	Within	Below
Premium / (discount) over 3-month VWAP	0.7%	124.2%	33.4%	25.8%	6.2%	Within	Below
Premium / (discount) over 6-month VWAP	3.0%	139.8%	36.1%	26.2%	10.7%	Within	Below

Sources: FactSet, Bloomberg, SGX, company filings on the SGX-ST

- (1) Minimum, maximum, mean and median of the respective benchmarks
- (2) Implied by the Merger as at the LUTD (14 October 2021)
- (3) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks
- (4) A metric is classified as "In line" when the parameters implied by the Merger are within a 5% range of the average of the minimum and maximum or the mean and median, as applicable, of the respective benchmarks
- (5) The LTM Implied NPI Yield is calculated by dividing the net property income over the prior 12 months by the enterprise value implied by the Scheme Consideration (please refer to Table 4 in this Letter for more details)

Taking into account the factors set out herein, and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that:

The Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

Accordingly, we advise that the ARCC and the ESR-REIT Recommending Directors recommend that the ESR-REIT Unitholders vote in favour of resolutions relating to the Merger.

The ARCC, the ESR-REIT Recommending Directors and the ESR-REIT Trustee should note that we have arrived at these conclusions based on information made available to us prior to and including the Latest Practicable Date. ESR-REIT Unitholders should also note that our opinion on the Merger cannot and does not take into account the future trading activity or patterns or price levels that may be established for the ESR-REIT Units and the ALOG Units as these are governed by factors beyond the scope of our review and would not fall within our terms of reference in connection with the Merger. ESR-REIT Unitholders should not rely on our opinion as the sole basis for deciding whether or not to vote in favour of the Merger.

In rendering our Opinion, we are not providing any investment advice and we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific unitholder and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the ARCC, the ESR-REIT Recommending Directors and the ESR-REIT Trustee.

Our Opinion takes into consideration, inter alia, factors including the financial terms for the Merger, publicly available information of ESR-REIT and ALOG, comparable industrial S-REITs and A-REITs and precedent comparable transactions, the rationale for the Merger and the Scheme Consideration and other relevant factors but does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our Opinion also does not incorporate an assessment of the price at which the Units may trade following the success or failure of the Merger. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Merger.

Our Opinion is strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully,

For and on behalf of
Rothschild & Co Singapore Limited



Rohit Elhence
Managing Director, Head of South East Asia

APPENDIX B

SCHEME CONDITIONS

The table below sets out the Scheme Conditions and the status of each Scheme Condition. All capitalised terms used in this **Appendix B** shall have the same meanings given to them in the Implementation Agreement or as defined in this Circular.

No.	Condition	Status as at the Latest Practicable Date
(a)	<u>Amendment of ALOG Trust Deed</u> : the approval of the ALOG Unitholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at the extraordinary general meeting for the amendment of the ALOG Trust Deed to include provisions that will facilitate the implementation of the Scheme, in such form and substance as agreed in writing by the Parties;	To be sought at the extraordinary general meeting of the ALOG Unitholders
(b)	<u>ALOG Unitholders' Approval for the Scheme</u> : the approval of a majority in number of the ALOG Unitholders representing at least three-fourths in value of the ALOG Units held by the ALOG Unitholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme;	To be sought at the Scheme Meeting
(c)	<u>Court Approval for the Scheme</u> : the Scheme Court Order being obtained;	Targeted to be obtained on or about 11 April 2022
(d)	<u>Regulatory Approvals</u> : all the Regulatory Approvals having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to the Record Date, including without limitation, the following:	
	(i) confirmation from the SIC that: (A) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme, subject to any conditions the SIC may deem fit to impose; (B) it has no objections to the Scheme Conditions; (C) it has no objections to the Switch Option; and (D) it has no objections to the Break Fee;	Satisfied
	(ii) approval-in-principle from the SGX-ST for the Scheme, the Scheme Document and for the proposed delisting of ALOG from the SGX-ST;	Satisfied, save for the proposed delisting of ALOG from the SGX-ST

No.	Condition	Status as at the Latest Practicable Date
	(iii) approval-in-principle from the SGX-ST for the ESR-REIT Circular, and the listing and quotation for the Consideration Units on the Main Board of the SGX-ST;	Satisfied
	(iv) a waiver from the SGX-ST from compliance with Rule 1309(1) of the Listing Manual, which requires a cash alternative to be offered as a default alternative for a delisting of ALOG;	Satisfied
	(v) there being no objections from JTC to the Merger and to ALOG continuing to hold the ALOG SG Real Properties after completion of the Merger when ALOG would become a private trust wholly owned by the ESR-REIT Trustee (as trustee of ESR-REIT);	Satisfied
	(vi) there being no objections from the MAS: (A) to the withdrawal of the authorisation of ALOG as an authorised collective investment scheme in the event the Merger is implemented and ALOG is delisted from the Main Board of the SGX-ST; and (B) to grant an exemption to ALOG from the requirements set out in Section 295(2) of the SFA in the event the authorisation of ALOG as an authorised collective investment scheme is withdrawn;	Satisfied
	(vii) confirmation from the Inland Revenue Authority of Singapore that stamp duty is not chargeable on the transfer of ALOG Units held by the ALOG Unitholders to the ESR-REIT Trustee (as trustee of ESR-REIT) and a tax ruling from the Inland Revenue Authority of Singapore that ALOG will be an approved sub-trust and enjoy tax transparency;	Satisfied
	(viii) confirmation from the state revenue offices of Victoria, New South Wales and Queensland that the concessional rate of stamp duty will apply to the transfer of ALOG Units held by the ALOG Unitholders to the ESR-REIT Trustee (as trustee of ESR-REIT); and	Satisfied
	(ix) in relation to Australian foreign investment approval, either:	Satisfied

No.	Condition	Status as at the Latest Practicable Date
	<p>(A) receipt by the ESR-REIT Trustee of a written notice under the Australian <i>Foreign Acquisitions and Takeovers Act 1975</i> from the Treasurer of the Commonwealth of Australia (or his or her delegate) stating that, or to the effect that, the Australian Commonwealth Government does not object to the Merger, either without conditions or otherwise on terms acceptable to the ESR-REIT Trustee, acting reasonably; or</p> <p>(B) following the ESR-REIT Trustee giving notice of the Merger to the Treasurer of the Commonwealth of Australia under the Australian <i>Foreign Acquisitions and Takeovers Act 1975</i>, the Treasurer of the Commonwealth of Australia ceases to be empowered to make any order under Division 2 of Part 3 of the Australian Foreign Acquisitions and Takeovers Act 1975.</p> <p>("FIRB Approval")</p>	
(e)	<p><u>ESR-REIT Unitholders' Approvals for the Merger:</u> the approval of the ESR-REIT Unitholders for:</p> <p>(i) the Merger;</p> <p>(ii) the issue of Consideration Units in consideration for the Merger; and</p> <p>(iii) such other resolutions that may be identified by the ESR-REIT Manager and/or the ESR-REIT Trustee with the consent of the SIC as necessary to give effect to and implement the Merger and the Scheme;</p>	To be sought at the EGM
(f)	<p><u>No Legal or Regulatory Restraint:</u> between the date of the Implementation Agreement and up to the Record Date, no issuance of any order, injunction, judgment, decree or ruling issued by any Governmental Authority or by any court of competent jurisdiction preventing the Merger or the implementation of the Scheme, being in effect as at the Record Date;</p>	To be determined on the Record Date
(g)	<p><u>No Prescribed Occurrence:</u> between the date of the Implementation Agreement and up to the Record Date, no Prescribed Occurrence in relation to the ALOG Group and/or</p>	To be determined on the Record Date

No.	Condition	Status as at the Latest Practicable Date
	the ESR-REIT Group (as the case may be) occurs other than as required or contemplated by the Implementation Agreement, the Scheme or the Merger;	
(h)	<u>ALOG Representations and Warranties</u> : there being no breach of the Warranties of the ALOG Manager and the ALOG Trustee in relation to ALOG which is material in the context of the Scheme as at the date of the Implementation Agreement and as at the Record Date as though made on and as at that date except to the extent any such Warranty expressly relates to an earlier date (in which case as at such earlier date);	To be determined on the Record Date
(i)	<u>ESR-REIT Representations and Warranties</u> : there being no breach of the Warranties of the ESR-REIT Manager and the ESR-REIT Trustee in relation to ESR-REIT which is material in the context of the Scheme as at the date of the Implementation Agreement and as at the Record Date as though made on and as at that date except to the extent any such Warranty expressly relates to an earlier date (in which case as at such earlier date);	To be determined on the Record Date
(j)	<p><u>Material Adverse Effect</u>: there being no event or events, whether individually or in aggregate, occurring from the date of the Joint Announcement which has or have the effect of causing a diminution:</p> <p>(i) in relation to the ALOG Group:</p> <p>(A) in the consolidated net assets attributable to unitholders of the ALOG Group by more than S\$97,782,800, being 10 per cent. of the consolidated net assets attributable to unitholders of the ALOG Group of S\$977,828,000 as at 30 June 2021 as stated in the unaudited consolidated financial statements of the ALOG Group for 1H2021 (the "ALOG 1H2021 Financial Statements"), as determined by reference to the later of (a) the latest publicly released unaudited consolidated financial statements of ALOG prior to the Record Date, and (b) the unaudited consolidated management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the ALOG FY2020 Financial Statements) as at the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier; or</p>	To be determined on the Record Date

No.	Condition	Status as at the Latest Practicable Date
	<p>(B) in the consolidated gross revenue of the ALOG Group by more than S\$6,655,200, being 10 per cent. of the consolidated gross revenue of the ALOG Group of S\$66,552,000 for the six (6)-month period ended 30 June 2021 as stated in the ALOG 1H2021 Financial Statements, as determined by reference to the unaudited consolidated management income statement (prepared using the same accounting policies and methods of computation with those applied in the ALOG FY2020 Financial Statements) for the six (6)-month period ending on the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier,</p> <p>(in each case, a "ALOG Material Adverse Effect"); and</p> <p>(ii) in relation to the ESR-REIT Group:</p> <p>(A) in the consolidated net assets attributable to unitholders of the ESR-REIT Group by more than S\$154,230,300, being 10 per cent. of the consolidated net assets attributable to unitholders of the ESR-REIT Group of S\$1,542,303,000 as at 30 June 2021 as stated in the unaudited consolidated financial statements of the ESR-REIT Group for 1H2021 (the "ESR-REIT 1H2021 Financial Statements"), as determined by reference to the later of (a) the latest publicly released unaudited consolidated financial statements of ESR-REIT prior to the Record Date, and (b) the unaudited consolidated management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the ESR-REIT FY2020 Financial Statements) as at the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier; or</p> <p>(B) in the consolidated gross revenue of the ESR-REIT Group by more than S\$11,984,000, being 10 per cent. of the consolidated gross revenue of the ESR-REIT Group of S\$119,840,000 for the six (6)-month period ended 30 June 2021 as stated in the ESR-REIT 1H2021 Financial Statements, as determined by reference to the unaudited consolidated management income statement (prepared using the</p>	

No.	Condition	Status as at the Latest Practicable Date
	<p>same accounting policies and methods of computation with those applied in the ESR-REIT FY2020 Financial Statements) for the six (6)-month period ending on the calendar month-end falling at least 28 calendar days prior to the Record Date or the Long-Stop Date, whichever is the earlier,</p> <p>(in each case, an "ESR-REIT Material Adverse Effect").</p> <p>For the avoidance of doubt, distributions that have already been paid to the ALOG Unitholders or ESR-REIT Unitholders prior to the date of the Implementation Agreement, as well as the ALOG Permitted Distributions and ESR-REIT Permitted Distributions shall not be taken into account in determining if there has been an ALOG Material Adverse Effect or ESR-REIT Material Adverse Effect; and</p>	
(k)	<p><u>ALOGTM Acquisition</u>: the completion of the indirect acquisition of the ALOG Manager by ESR Cayman Limited in connection with the acquisition agreement dated 4 August 2021 between ESR Cayman Limited, ARA Asset Management Limited and certain sellers.</p>	Satisfied

APPENDIX C

ESR-REIT 805 AUDITOR'S OPINION



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INDEPENDENT AUDITOR'S REPORT

To RBC Investor Services Trust Singapore Limited (as Trustee of ESR-REIT), and the Board of Directors of ESR Funds Management (S) Limited (as Manager of ESR-REIT)

Opinion

We have audited the carrying values of investment properties of ARA LOGOS Logistics Trust ("ALOG") and its subsidiaries (collectively, the "ALOG Group"), and investment properties of New LAIVS Trust and Oxford Property Fund (collectively, the "Funds") as at 30 September 2021, and related notes (the "Statements") on pages C-4 to C-10.

In our opinion, the Statements are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the Statements.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statements section of our report. We are independent of the ALOG Group and the Funds in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to Note 2 of the Statements, which describes the basis of accounting. Our work was undertaken so that we might report to you on those matters as stated in Note 2 to the Statements and for no other purpose. Our report has been prepared for inclusion in the circular of ESR-REIT to its unitholders in relation to the proposed merger of ESR-REIT and ALOG by way of a trust scheme of arrangement, and is not intended for any other purpose. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Statements. These matters were addressed in the context of our audit of the Statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the Statements.

Carrying values of investment properties

The carrying values of investment properties of the ALOG Group and the Funds amounted to \$1,500.9 million and \$1,013.4 million, respectively, as at 30 September 2021. These investment properties are stated at their respective fair values based on independent external full or desktop valuations.

Key audit matters (continued)

Carrying values of investment properties (continued)

The valuation of the investment properties requires significant judgement in the determination of the appropriate valuation methodology and in deciding on the assumptions and estimates that are to be applied in the valuation. The valuation is complex and highly dependent on a range of estimates made by external valuers and agreed upon by ARA LOGOS Logistics Trust Management Limited, the manager of ALOG (the “ALOG Manager”), and LOGOS Investment Management Pty Limited, the manager of the Funds (the “Fund Manager”). As disclosed in Note 4 and Note 5 to the Statements, the valuation of the investment properties is highly sensitive to key assumptions such as capitalisation rates, discount rates, terminal yield rates and adjusted price per square meter. A minor change in these key assumptions may have significant impact on the valuation. As further disclosed in Note 4 *Investment Properties of ALOG Group* to the Statements, the global risk outlook, particularly with regards to COVID-19 is extremely fluid and may result in an increase in the level of estimation uncertainty in determining the valuation of investment properties at 30 September 2021 arising from changes in market and economic conditions brought on by the COVID-19 pandemic.

We obtained an understanding of the ALOG Manager’s process and the Fund Manager’s process relating to the selection of the external valuers and the determination of the scope of work of the external valuers. We held discussions with the external valuers to understand the valuation methodologies, key assumptions used in the valuation and their scope of work in response to the heightened level of estimation uncertainty in view of the current market and economic conditions. We assessed the appropriateness of the valuation models used by the external valuers by considering the valuation methodologies adopted for similar property types. We considered the objectivity, independence and capability of the external valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We also obtained an understanding of the processes relating to the ALOG Manager’s and the Fund Manager’s review of the valuation reports issued by the external valuers and in addressing the heightened level of estimation uncertainty in view of the current market and economic conditions. We tested the key inputs or assumptions used in the projected cash flows and net operating income used in determining the valuation to supporting key information such as contractual terms of the leases and comparable transactions data. We also compared the projected cash flows and net operating income with recent actual financial performance of the properties to determine their reasonableness.

We tested the reasonableness of the capitalisation rates, discount rates and terminal yield rates used in the valuations by comparing them against available industry data, taking into consideration comparability and prevailing market conditions. We also involved our internal valuation specialists to assist us in evaluating the appropriateness of the capitalisation rates, discount rates and terminal yield rates used in the valuations. Our internal valuation specialists also tested the reasonableness of the adjusted price per square meter assumption by comparing the valuations of the relevant properties against recent transacted prices of comparable properties when such market transactions are available. In determining the carrying values of the investment properties, we have also considered the valuations of these properties concluded by the ALOG Group and the Funds as of 31 December 2021, which have not materially changed when compared to the carrying values as at 30 September 2021, in assessing the robustness of the valuations as at 30 September 2021.

Based on the work performed, we consider the methodology applied to be appropriate and key assumptions used in the valuations to be reasonable.

We assessed the adequacy of the disclosures in Note 4 and Note 5 of the Statements relating to the key assumptions used in the valuation process, taking into consideration the estimation uncertainty and sensitivity of the valuations.

Responsibilities of the ALOG Manager and the Fund Manager for the Statements

The ALOG Manager and the Fund Manager are responsible for the preparation of the respective Statements in accordance with the basis of accounting stated in Note 2 of the Statements; and for such internal control as the ALOG Manager and the Fund Manager determine is necessary to enable the preparation of the carrying value that is free from material misstatement, whether due to fraud or error.

The ALOG Manager is responsible for overseeing the ALOG Group's financial reporting process and the Fund Manager is responsible for overseeing the Funds' financial reporting process.

Auditor's responsibilities for the audit of the Statements

Our objectives are to obtain reasonable assurance about whether the Statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statements.

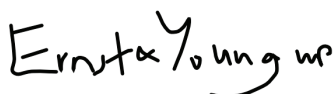
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ALOG Group's and the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the ALOG Manager and the Fund Manager.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Lee Wei Hock.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

25 February 2022

**Statement of Investment Properties of ARA LOGOS Logistics Trust and its Subsidiaries
(collectively, the “ALOG Group”) as at 30 September 2021**

	Note	As at 30 September 2021 \$'000
Investment properties of ALOG Group (based on valuation reports)	4	<u>1,500,948</u>

Statement of Investment Properties of New LAIVS Trust and Oxford Property Fund (collectively, the “Funds”) as at 30 September 2021

	Note	As at 30 September 2021 \$'000
Investment properties of New LAIVS Trust (based on valuation reports) ¹	5	560,516
Investment property of Oxford Property Fund (based on valuation report) ²	5	452,933

¹ The reported valuation as at 30 September 2021 represents valuation of the investment properties of New LAIVS Trust on a 100% basis. The ALOG Group owns 49.5% interest in New LAIVS Trust as at 30 September 2021.

² The reported valuation as at 30 September 2021 represents valuation of the investment property of Oxford Property Fund on a 100% basis. The ALOG Group owns 40.0% interest in Oxford Property Fund as at 30 September 2021.

1. Purpose of the Statements

The Statements are prepared for the purpose of giving additional comfort to the unitholders of ESR-REIT that the carrying values of the investment properties of ARA LOGOS Logistics Trust (“ALOG”) and its subsidiaries (collectively, the “ALOG Group”), and investment properties of New LAIVS Trust and Oxford Property Fund (collectively, the “Funds”) as at 30 September 2021 were prepared, in all material respects, in accordance with the Basis of Accounting as set out in Note 2 and that, accordingly, the investment properties were stated at fair values.

The Statements are respectively prepared by ARA LOGOS Logistics Trust Management Limited, as manager of ALOG (the “ALOG Manager”) and LOGOS Investment Management Pty Limited, as manager of the Funds (the “Fund Manager”).

2. Basis of accounting

2.1 Statement of compliance

The Statements are prepared in accordance with the significant accounting policies set out in Note 3.

2.2 Functional and presentation currency

The Statements are presented in Singapore Dollars, which is the functional currency of ALOG. All financial information presented are rounded to the nearest thousand (“\$’000”), except where otherwise indicated.

2.3 Use of judgements and estimates

The preparation of the Statements requires the ALOG Manager and the Fund Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported carrying amount of the investment properties. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Investment properties of ALOG Group
- Note 5 – Investment properties of the Funds

Measurement of fair values

When measuring the fair value of an asset or a liability, the ALOG Manager and the Fund Manager use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- | | |
|----------|--|
| Level 1: | Quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level 2: | Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). |
| Level 3: | Inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

2. Basis of accounting (continued)

2.3 Use of judgements and estimates (continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The ALOG Group and the Funds recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. Significant accounting policies

Investment properties

Investment properties are properties held mainly to earn rental income and are not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

These properties are measured at cost on initial recognition and subsequently at fair value thereafter with any change therein recognised in the statement of total return. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the ALOG Group or the Funds. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are not depreciated. The properties are subject to continued maintenance and are regularly revalued.

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held for sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on revaluation is credited or charged directly to the statement of total return as a net change in fair value of investment properties. Upon disposal, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

4. Investment properties of ALOG Group

Measurement of fair value

The fair values of investment properties were determined by external, independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. For the purpose of the Statements, the carrying value of the investment properties does not include the associated right-of-use assets.

In determining the fair value of investment properties, the independent external valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the ALOG Manager has exercised its judgement and is satisfied that the valuation techniques and estimates used are reflective of current market conditions.

The valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered the capitalisation approach, discounted cash flows analysis method and/or direct comparison method in arriving at the valuation as at 30 September 2021.

The capitalisation approach capitalises an income stream into a present value using a single-year capitalisation rate. The income stream used is adjusted for market rentals currently being achieved for comparable investment properties and recent leasing transactions. The discounted cash flow analysis method involves the estimation and projection of an income stream over a period and discounting the income stream with a rate of return to arrive at the market value. The discounted cash flow analysis method requires the valuers to assume a rental growth rate indicative of market and the selection of a target rate of return consistent with current market requirements. The direct comparison method provides an indication of value by comparing the investment property with identical or similar properties where reliable sales evidence is available.

The fair value measurement for investment properties based on the inputs to the valuation techniques used is categorised as a Level 3 fair value in the fair value hierarchy.

As at 30 September 2021, the valuation reports of ALOG Group's properties in Australia included a highlight that the valuation provides a 'point in time' opinion only and is subject to future changes in market conditions. Recognising that the global risk outlook, in particular with regard to COVID-19, is extremely fluid, the external valuers have also recommended to keep the valuation of these properties under regular review.

Investment properties

Investment properties comprise a total of 29 logistics warehouse properties located in Singapore and Australia.

Security

As at 30 September 2021, certain investment properties have been pledged as security for loan facilities granted by financial institutions to the ALOG Group. The aggregate carrying amount of the pledged investment properties is \$443.1 million.

4. Investment properties of ALOG Group (continued)

Investment properties (continued)

The following table shows the significant unobservable inputs used in the valuation models of the investment properties:

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties of ALOG Group		The estimated fair values would increase/(decrease) if:
Investment properties consisting of logistics warehouse properties for leasing	<ul style="list-style-type: none"> • Capitalisation rates of 3.75% to 7.00% • Terminal yield rates of 4.13% to 7.25% • Discount rates of 5.50% to 7.75% • Adjusted price per square meter of \$1,101 to \$4,107 (applicable for Singapore properties only) 	<ul style="list-style-type: none"> • the capitalisation rates were lower/(higher); • the terminal yield rates were lower/(higher); • the discount rates were lower/(higher); or • the adjusted price per square meter was higher/(lower).

5. Investment properties of the Funds

Measurement of fair value

The fair values of investment properties were determined by external, independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. For the purpose of the Statements, the carrying value of the investment properties does not include the associated right-of-use assets.

In determining the fair value of investment properties, the independent external valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Fund Manager has exercised its judgement and is satisfied that the valuation techniques and estimates used are reflective of current market conditions.

The valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered the capitalisation approach and discounted cash flows analysis method in arriving at the valuation as at 30 September 2021.

The fair value measurement for investment properties based on the inputs to the valuation techniques used is categorised as a Level 3 fair value in the fair value hierarchy.

Security

As at 30 September 2021, the investment properties have been pledged as security for loan facilities granted by financial institutions to the Funds.

The following table shows the significant unobservable inputs used in the valuation models of the investment properties of the Funds:

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties of the Funds		The estimated fair values would increase/(decrease) if:
Investment properties consisting of logistics warehouse properties for leasing	<ul style="list-style-type: none">• Capitalisation rates of 3.35% to 4.00%• Terminal yield rates of 3.70% to 4.25%• Discount rates of 5.25% to 5.50%	<ul style="list-style-type: none">• the capitalisation rates were lower/(higher);• the terminal yield rates were lower/(higher); or• the discount rates were lower/(higher).

6. Subsequent events

The valuations of the investment properties concluded by the ALOG Group and the Funds as of 31 December 2021 have not materially changed when compared to the carrying values as at 30 September 2021.

APPENDIX D

BASES AND ASSUMPTIONS UNDERLYING *PRO FORMA* FINANCIAL EFFECTS OF THE MERGER

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT's DPU for FY2020

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the ESR-REIT FY2020 Financial Statements and the ALOG FY2020 Financial Statements, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT's DPU for FY2020.

The assumptions are set out as follows:

- (a) the Merger had occurred on 1 January 2020;
- (b) the following acquisitions by ESR-REIT had occurred on 1 January 2020:
 - (i) the acquisition of 10.0% interest in EALP which was actually completed on 14 May 2021; and
 - (ii) the acquisition of 46A Tanjong Penjuru which was actually completed on 29 June 2021;(collectively, the "**FY2021 ESR-REIT Acquisitions**"), and a full year pro forma financial effect from the FY2021 ESR-REIT Acquisitions was included;
- (c) the following divestments by ESR-REIT had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:
 - (i) the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East as announced on 28 April 2021; and
 - (ii) the divestment of 45 Changi South Avenue 2 as announced on 30 August 2021;(collectively, the "**FY2021 ESR-REIT Divestments**"), and the actual financial information of the FY2021 ESR-REIT Divestments for FY2020 were excluded from the pro forma financial effects of the Merger;
- (d) the ESR-REIT equity fundraising comprising a private placement of 268,818,000 new ESR-REIT Units and a preferential offering of 124,071,569 new ESR-REIT Units (the "**ESR-REIT EFR**"), which were actually completed on 18 May 2021 and 26 August 2021 respectively and raised gross proceeds of S\$149.6 million to partially finance the FY2021 ESR-REIT Acquisitions, had occurred on 1 January 2020;
- (e) the following acquisitions by ALOG had occurred on 1 January 2020:

- (i) the acquisition of 47 Logistics Place, Larapinta, Queensland located in Australia which was actually completed on 16 April 2021;
 - (ii) the acquisition of (1) 1-5 & 2-6 Bishop Drive, (2) 8 Curlew Street, and (3) 53 Peregrine Drive, all located in Port of Brisbane, Queensland, Australia which was actually completed on 21 April 2021;
 - (iii) the acquisition of a 49.5% interest in the New LAIVS Trust and a 40.0% interest in the Oxford Property Fund which was actually completed on 16 April 2021; and
 - (iv) the acquisition of the Heron Property which was actually completed on 11 January 2022,
- (collectively, the **"FY2021 ALOG Acquisitions"**), and a full year pro forma financial effect from the FY2021 ALOG Acquisitions was included;
- (f) the following divestments by ALOG had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:
- (i) the divestment of 3 Changi South Street 3, also known as ALOG Changi DistriCentre 2, as announced on 22 April 2021; and
 - (ii) the divestment of 404-450 Findon Road, Kidman Park, South Australia in Australia as announced on 26 April 2021,
- (collectively, the **"FY2021 ALOG Divestments"**), and the actual financial information of the FY2021 ALOG Divestments for FY2020 was excluded from the pro forma financial effects of the Merger;
- (g) the ALOG equity fundraising comprising a private placement of 90,498,000 new ALOG Units and a preferential offering of 91,112,930 new ALOG Units (**"ALOG Equity Fundraising"**, and together with the ALOG Subscription Units Issuance, the **"ALOG EFR"**), which were actually completed on 11 November 2020 and 25 January 2021 respectively, and raised gross proceeds of S\$100.3 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;
- (h) the issuance of 126,696,800 new ALOG Units to Ivanhoe Cambridge Asia, and 33,846,100 new ALOG Units to LOGOS Units (the **"ALOG Subscription Units Issuance"**) which was actually completed on 16 April 2021 and raised gross proceeds of S\$88.7 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;
- (i) the ESR-REIT Real Properties and the EALP Real Properties held as at 30 September 2021 were revalued in FY2020 based on their latest actual independent valuations as at 30 September 2021 (the **"ESR-REIT Revaluation"**);
- (j) the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 1 January 2020 based on their latest actual independent valuations as at 30 September 2021 and these valuations remained unchanged throughout FY2020;

- (k) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the ALOG FY2020 Financial Statements;
- (l) based on the number of ALOG Units issued as at the Joint Announcement Date, the aggregate Scheme Consideration of approximately S\$1,406.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$140.7 million and the issuance of approximately 2,571.1 million new ESR-REIT Units;
- (m) ALOG's total borrowings and related interest rate swaps amounting to an aggregate of approximately S\$768.7 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (n) the estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger and ESR-LOGOS REIT did not incur any land rent expenses for the ALOG SG Real Properties in FY2020;
- (o) acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 32.3 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;
- (p) ALOG's asset management and trustee fee structures were replaced with the management fee and trustee fee structures in the ESR-REIT Trust Deed with effect from 1 January 2020. Consequently, no performance fee was paid by ESR-LOGOS REIT for FY2020 and approximately 74.1% of the asset management fees for ESR-LOGOS REIT was paid in ESR-REIT Units;
- (q) 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 2.25% per annum;
- (r) transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off; and
- (s) excludes any other operational and trust level savings or potential synergies from the Merger.

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT's NAV and NTA per Unit and aggregate leverage as at 31 December 2020

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the ESR-REIT FY2020 Financial Statements and the ALOG FY2020 Financial Statements, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT's NAV and NTA per Unit and aggregate leverage as at 31 December 2020.

The assumptions are set out as follows:

- (a) the Merger had occurred on 31 December 2020;
- (b) the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments and the ESR-REIT EFR had occurred on 31 December 2020;
- (c) the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments and the ALOG EFR had occurred on 31 December 2020;
- (d) the ESR-REIT Real Properties, the EALP Real Properties, the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 31 December 2020 based on their latest actual independent valuations as at 30 September 2021;
- (e) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the ALOG FY2020 Financial Statements;
- (f) based on the number of ALOG Units issued as at the Joint Announcement Date, the aggregate Scheme Consideration of approximately S\$1,406.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$140.7 million and the issuance of approximately 2,571.1 million new ESR-REIT Units;
- (g) ALOG's total borrowings and related interest rate swaps amounting to an aggregate of approximately S\$768.7 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (h) estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger;
- (i) acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 32.3 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;

- (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 2.25% per annum; and
- (k) transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off.

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT's DPU for FY2021

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the ESR-REIT FY2021 Financial Statements and the ALOG FY2021 Interim Financial Information, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT's DPU for FY2021.

The assumptions are set out as follows:

- (a) the Merger 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 Interim Financial Information;
- (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 ESR-REIT Units;
- (e) ALOG's total borrowings and related interest rate swaps of approximately S\$761.2 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$611.2 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (f) the estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger and ESR-LOGOS REIT did not incur any land rent expenses for the ALOG SG Real Properties in FY2021;
- (g) acquisition fees of approximately S\$15.6 million pursuant to the Merger were paid by way of the issuance of approximately 31.7 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;
- (h) ALOG's asset management and trustee fee structures were replaced with the management fee and trustee fee structures in the ESR-REIT Trust Deed with effect from 1 January 2021. Consequently, no performance fee was paid by ESR-LOGOS REIT for FY2021 and approximately 75.0% of the asset management fees for ESR-LOGOS REIT was paid in ESR-REIT Units;

- (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 2.25% 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; and
- (k) excludes any other operational and trust level savings or potential synergies from the Merger.

Basis of Preparation for the pro forma financial effects of the Merger on ESR-REIT's NAV and NTA per Unit and aggregate leverage as at 31 December 2021

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the ESR-REIT FY2021 Financial Statements and the ALOG FY2021 Interim Financial Information, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ESR-REIT's NAV and NTA per Unit and aggregate leverage as at 31 December 2021.

The assumptions are set out as follows:

- (a) the Merger 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 Interim Financial Information;
- (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 the Latest Practicable Date, 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 2,575.9 million new ESR-REIT Units;
- (e) ALOG's total borrowings and related interest rate swaps of approximately S\$761.2 million and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$611.2 million at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (f) estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger;
- (g) acquisition fees of approximately S\$15.6 million pursuant to the Merger were paid by way of the issuance of approximately 31.7 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;
- (h) 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 2.25% per annum; and
- (i) transaction costs related to the Merger and the excess of the Scheme Consideration over the acquired net assets of ALOG were written off.

APPENDIX E

NOTICE OF EXTRAORDINARY GENERAL MEETING



(A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the holders of units of ESR-REIT (“**ESR-REIT Unitholders**”) will be held by way of electronic means on 21 March 2022 (Monday) at 10.00 a.m., to consider and, if thought fit, to pass, with or without any modifications, the following resolutions:

RESOLUTION 1 (ORDINARY RESOLUTION):

1. THE MERGER

That subject to and contingent upon the passing of Resolution 2 as well as the Scheme (as defined below) becoming effective in accordance with its terms:

- (a) approval be and is hereby given for the proposed merger (the “**Merger**”) of ESR-REIT and ARA LOGOS Logistics Trust (“**ALOG**”), to be effected through the acquisition by RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT (the “**ESR-REIT Trustee**”), of all the units of ALOG held by the unitholders of ALOG (the “**ALOG Unitholders**”), in exchange for a combination of cash and units in ESR-REIT (the “**ESR-REIT Units**”) by way of a trust scheme of arrangement (the “**Scheme**”) in compliance with the Singapore Code on Take-overs and Mergers, on the terms and conditions set out in the implementation agreement dated 15 October 2021 (as amended and restated by the supplemental letter dated 22 January 2022 and as may be amended from time to time) (the “**Implementation Agreement**”) made between ARA LOGOS Logistics Trust Management Limited, in its capacity as manager of ALOG, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of ALOG, ESR Funds Management (S) Limited, in its capacity as manager of ESR-REIT (the “**ESR-REIT Manager**”) and the ESR-REIT Trustee, as described in the circular to the ESR-REIT Unitholders dated 25 February 2022 (the “**Circular**”), and the entry into the Implementation Agreement be and is hereby approved and ratified;
- (b) approval be and is hereby given for the payment of all fees and expenses relating to the Merger; and
- (c) the ESR-REIT Manager, the ESR-REIT Trustee, and any director of the ESR-REIT Manager (a “**Director**”) or Directors be authorised and directed to do all things necessary or expedient or in the interests of ESR-REIT and the ESR-REIT Unitholders (including executing any document) as he or they may deem fit, to give effect to the Merger as contemplated in this resolution.

RESOLUTION 2 (ORDINARY RESOLUTION):

2. THE PROPOSED ISSUE OF NEW ESR-REIT UNITS TO THE ALOG UNITHOLDERS AT THE ISSUE PRICE OF S\$0.4924 FOR EACH ESR-REIT UNIT AS PART OF THE CONSIDERATION FOR THE MERGER

That subject to and contingent upon the passing of Resolution 1 as well as the Scheme becoming effective in accordance with its terms:

- (a) approval be and is hereby given for the issue of new ESR-REIT Units to the ALOG Unitholders, at an issue price of S\$0.4924 for each ESR-REIT Unit, to the ALOG Unitholders; and
- (b) the ESR-REIT Manager, the ESR-REIT Trustee and any Director or Directors be authorised and directed to do all things necessary or expedient or in the interests of ESR-REIT and the ESR-REIT Unitholders (including executing any document) as he or they may deem fit, to give effect to the matters contemplated in this resolution.

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited

As Manager of ESR-REIT


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

Adrian Chui

Chief Executive Officer and Executive Director

25 February 2022

Notes:

- (1) In view of the elevated safe distancing measures imposed by the Singapore Government due to the current COVID-19 situation, ESR-REIT will be conducting the EGM of the ESR-REIT Unitholders only by way of electronic means ("**Virtual Meeting**") in accordance with the COVID-19 (Temporary Measures) Act 2020 (as amended), the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 gazetted on 13 April 2020 (as amended) and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 (as amended) titled "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period".
- (2) ESR-REIT Unitholders should take note of the following arrangements for the EGM:
- (a) **Live Audio-visual Webcast/Live Audio-only Stream:** The EGM will be conducted only by way of electronic means and **ESR-REIT Unitholders will not be able to physically attend the EGM**. The proceedings of the EGM will be broadcast through a live webcast comprising both video (audio-visual) and audio-only feeds. Please pre-register for the live audio-visual webcast/live audio-only stream if you wish to attend the EGM.
- (b) **Online Pre-registration:** All ESR-REIT Unitholders as well as investors who hold units of ESR-REIT ("**ESR-REIT Units**") through the Central Provident Fund ("**CPF**") or the Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings of the EGM through the live audio-visual webcast/live audio-only stream **must pre-register online at <https://smartagm.sg/esrreitegm21March2022> (the "Pre-registration Page") which is also accessible by scanning the QR code by 18 March 2022 (Friday), 10.00 a.m.** (being 72 hours before the time appointed for the holding of the EGM) for verification purposes. Persons who hold ESR-REIT Units through a Relevant Intermediary (as defined in the trust deed constituting ESR-REIT (as amended)) ("**Relevant Intermediary Unitholders**") who wish to follow the proceedings of the EGM should request their Relevant Intermediary to make arrangements to pre-register on their behalf. The Relevant Intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/passport number) to the Unit Registrar of ESR-REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at SRS.TeamE@boardroomlimited.com no later than **10.00 a.m. on 18 March 2022 (Friday)**. Following successful verification, a confirmation email which contains unique user credentials and instructions on how to access the live audio-visual webcast/live audio-only stream of the EGM proceedings and submit questions during the EGM will be sent to you before the EGM (the "**Confirmation Email**"). ESR-REIT Unitholders and CPF/SRS investors **who do not receive the Confirmation Email by 12.00 p.m. on 20 March 2022 (Sunday)**, but have pre-registered for the live audio-visual webcast/live audio-only stream of the EGM proceedings by the deadline of 10.00 a.m. on 18 March 2022 (Friday) **should contact the Unit Registrar of ESR-REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or at SRS.TeamE@boardroomlimited.com immediately.**
- 
- (c) **Submission of Questions:** All ESR-REIT Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders will be able to ask questions by posing questions "live" at the Virtual Meeting during the live audio-visual webcast. All ESR-REIT Unitholders, CPF/SRS investors and Relevant Intermediary Unitholders can and are strongly encouraged to submit questions relating to the business of the EGM up till **13 March 2022 (Sunday)**. The ESR-REIT Manager will publish its responses to substantial and relevant questions received on or before 13 March 2022 (Sunday), on SGXNET by 15 March 2022 (Tuesday). The ESR-REIT Manager may also publish further responses after 15 March 2022 (Tuesday) to substantial and relevant questions received after 13 March 2022 (Sunday).
- (i) ESR-REIT Unitholders and CPF/SRS investors may submit their questions on the Pre-registration Page or via electronic mail to ir@esr-reit.com.sg or by post addressed to the Unit Registrar of ESR-REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.
- (ii) Relevant Intermediary Unitholders may submit questions through their Relevant Intermediary, who in turn should submit a consolidated list of questions to the Unit Registrar of ESR-REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at SRS.TeamE@boardroomlimited.com. When sending in your questions, for our verification purposes, please also provide us/the Relevant Intermediary with your full name, address, contact telephone number and email, and the manner in which you hold ESR-REIT Units (if you hold ESR-REIT Units directly, please provide your CDP account number; otherwise, please state if you hold your ESR-REIT Units through CPF or SRS, or are a Relevant Intermediary Unitholder).
- Questions should be submitted on the Pre-registration Page or should reach the email address or address specified above on or before **13 March 2022 (Sunday)**. In view of the current COVID-19 situation and the related safe distancing measures which may affect postage timings and make it difficult for ESR-REIT Unitholders to submit questions by post, ESR-REIT Unitholders are strongly encouraged to submit questions electronically by the Pre-registration Page or email. The ESR-REIT Manager will publish the responses to substantial and relevant questions received on or before **13 March 2022 (Sunday)** on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> and on SGXNET by 15 March 2022 (Tuesday). The ESR-REIT Manager may also publish further responses after 15 March 2022 (Tuesday) to substantial and relevant questions received after 13 March 2022 (Sunday).
- (d) **Voting Solely via Appointing Chairman as Proxy (Submit a Proxy Form):** ESR-REIT Unitholders will only be able to vote at the EGM by appointing the Chairman of the EGM as proxy to vote on their behalf. ESR-REIT Unitholders can submit the Proxy Form in the following manner:
- (i) **For ESR-REIT Unitholders who are individuals⁽¹⁾ and who hold ESR-REIT Units directly with CDP only** – via electronic submission of the e-Proxy Form at the Pre-registration Page at <https://smartagm.sg/esrreitegm21March2022>, or
- (ii) **For all ESR-REIT Unitholders who hold ESR-REIT Units directly with CDP** – by depositing the duly completed Proxy Form with ESR-REIT
- (A) via electronic mail to SRS.TeamE@boardroomlimited.com (e.g. enclosing a clear scanned completed and signed Proxy Form in PDF), or
- (B) via post to the office of the Unit Registrar of ESR-REIT at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Note:

- (1) Proxy Forms executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post.

The Proxy Form must be received by ESR-REIT by **18 March 2022 (Friday), 10.00 a.m.** (being 72 hours before the time appointed for the holding of the EGM). Proxy Forms can be downloaded from ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> or the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. In the Proxy Form, an ESR-REIT Unitholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the EGM. All valid votes cast via proxy on each resolution will be counted. If no specific direction as to voting is given, the Chairman of the EGM will vote or abstain from voting at his/her discretion.

In view of the current COVID-19 situation and the related safe distancing measures which may affect postage timings and make it difficult for ESR-REIT Unitholders to submit Proxy Forms by post, ESR-REIT Unitholders are strongly encouraged to vote by e-Proxy Form or to submit completed Proxy Forms via electronic mail. Please refer to the Proxy Form for further information.

- (e) **Voting by Relevant Intermediary Unitholders and CPF/SRS investors:** Relevant Intermediary Unitholders (including CPF/SRS investors) that wish to vote should not make use of the Proxy Form and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators by **14 March 2022 (Monday)** to ensure that their votes are submitted.

Documents and information relating to the EGM (including this Notice of EGM, the Circular and the Proxy Form) are available on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, and on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Circular will not be despatched to ESR-REIT Unitholders, unless otherwise requested. For ESR-REIT Unitholders' convenience, printed copies of this Notice of EGM and the Proxy Form have been despatched to ESR-REIT Unitholders. ESR-REIT Unitholders may request for printed copies of the Circular by completing and returning the request form accompanying this Notice of EGM and the Proxy Form to the ESR-REIT Manager by 7 March 2022 (Monday).

In view of the rapidly evolving COVID-19 situation, ESR-REIT Unitholders should note that the manner of conduct of the EGM may be subject to further changes at short notice. ESR-REIT Unitholders are advised to check ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html> and SGXNET regularly for updates. Alternatively, ESR-REIT Unitholders may sign up for ESR-REIT email alerts here (https://esr-reit.listedcompany.com/email_alerts.html) to receive the latest updates.

Important Notice:

The value of units in ESR-REIT (the "ESR-REIT Units") and the income derived from them may fall as well as rise. ESR-REIT Units are not investments or deposits in, or liabilities or obligations of the ESR-REIT Manager, the ESR-REIT Trustee, or any of their respective related corporations and affiliates (individually and collectively "Affiliates").

An investment in ESR-REIT Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the ESR-REIT Manager, the ESR-REIT Trustee nor any of their Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors should note that they have no right to request the ESR-REIT Manager to redeem or purchase their ESR-REIT Units for so long as the ESR-REIT Units are listed on the SGX-ST. It is intended that investors may only deal in their ESR-REIT Units through trading on the SGX-ST. Listing of the ESR-REIT Units on the SGX-ST does not guarantee a liquid market for the ESR-REIT Units.

Personal Data Privacy:

By submitting an instrument appointing a proxy to attend, speak and vote at the EGM and/or any adjournment thereof, an ESR-REIT Unitholder (i) consents to the collection, use and disclosure of the ESR-REIT Unitholder's personal data by the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) for the purpose of the processing and administration by the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), recording and transmitting images and/or voice recordings when broadcasting the EGM proceedings through live audio-visual webcast/live audio-only stream, and in order for the ESR-REIT Manager and the ESR-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ESR-REIT

(A real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

PROXY FORM

Extraordinary General Meeting

IMPORTANT:

1. A Unitholder (whether individual or corporate) must appoint the Chairman of the Extraordinary General Meeting as his/her/its proxy at the Extraordinary General Meeting if such Unitholder wishes to exercise his/her/its voting rights at the Extraordinary General Meeting. There will not be real-time voting at the Extraordinary General Meeting.
2. For **investors holding units of ESR-REIT through Relevant Intermediaries** (as defined in the trust deed constituting ESR-REIT (as amended)) (including CPF/SRS investors), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their Relevant Intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators by **14 March 2022 (Monday)** to ensure that their votes are submitted.
3. The Extraordinary General Meeting will be held via electronic means.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**
5. Personal data privacy

By submitting an instrument appointing a proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 25 February 2022.

This proxy form is available on ESR-REIT's website at <https://esr-reit.listedcompany.com/meetings.html>, and on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this proxy form have also been despatched to the unitholders.

I/We, _____ (Name and NRIC no./Passport no./Company Registration no.) of _____ (Address) being a unitholder/unitholders of ESR-REIT, hereby appoint the Chairman of the Extraordinary General Meeting as my/our proxy to attend, to speak and to vote for me/us on my/our behalf at the Extraordinary General Meeting of ESR-REIT to be held on 21 March 2022 (Monday) at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy to vote (i) for (ii) against or (iii) abstain from voting on, the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder[#]. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the Extraordinary General Meeting.

No.	Resolutions:	For*	Against*	Abstain*
1	Resolution 1 (Ordinary Resolution): To approve the Merger			
2	Resolution 2 (Ordinary Resolution): To approve the proposed issue of new ESR-REIT Units to the ALOG Unitholders at the issue price of S\$0.4924 for each ESR-REIT Unit as part of the consideration for the Merger			

[#] You should specifically direct the proxy on how he/she is to vote for, vote against (or abstain from voting on) the resolutions.

^{*} If you wish to exercise all your votes "For" or "Against" or to "Abstain" from the relevant resolution, please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022

Total number of Units held (Note 2)

Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM ON THE REVERSE PAGE

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Notes to the proxy form:

1. A holder of units of ESR-REIT ("**Unitholder**") who wishes to vote at the Extraordinary General Meeting of ESR-REIT must appoint the Chairman of the Extraordinary General Meeting to act as his/her proxy to vote on behalf of him/her at the Extraordinary General Meeting in respect of all the units of ESR-REIT ("**Units**") held by him/her. There will not be real-time voting at the Extraordinary General Meeting. In the Proxy Form, a Unitholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions. All valid votes cast via proxy on each resolution will be counted.
2. A Unitholder should insert the total number of Units held. If the Unitholder only has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder only has Units registered in his/her name in the Register of Unitholders of ESR-REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this proxy form will be deemed to relate to all the Units held by the Unitholder in both the Depository Register and the Register of Unitholders.
3. The instrument appointing a proxy (the "**Proxy Form**") must be (i) submitted via electronic submission of the e-Proxy Form at the Pre-registration Page at <https://smartagm.sg/esrreitegm21March2022>, for ESR-REIT Unitholders who are individuals and who hold ESR-REIT Units directly with CDP only (Proxy Forms executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post), or (ii) sent by email to SRS.TeamE@boardroomlimited.com (e.g. enclosing a clear scanned completed and signed proxy form in PDF), or deposited by post to the office of the Unit Registrar of ESR-REIT at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, for all ESR-REIT Unitholders who hold ESR-REIT Units directly with CDP, and must be received by ESR-REIT by 18 March 2022 (Friday), 10.00 a.m. (being 72 hours before the time appointed for the holding of the Extraordinary General Meeting). In view of the current COVID-19 situation and the related safe distancing measures which may affect postage timings and make it difficult for Unitholders to submit Proxy Forms by post, Unitholders are strongly encouraged to vote by e-Proxy Form or to submit completed Proxy Forms via electronic mail.
4. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
5. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the manager of ESR-REIT (the "**Manager**")) be deposited by post to the office of the Unit Registrar of ESR-REIT at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by email to SRS.TeamE@boardroomlimited.com and must be received by ESR-REIT by 18 March 2022 (Friday), 10.00 a.m. (being 72 hours before the time appointed for the holding of the Extraordinary General Meeting), failing which the Proxy Form may be treated as invalid. In view of the current COVID-19 situation and the related safe distancing measures which may affect postage timings and make it difficult for Unitholders to submit such documents by post, Unitholders are strongly encouraged to vote by e-Proxy Form or to submit such documents via electronic mail.
6. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
7. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
8. Every Unitholder shall have one vote for every Unit of which he/she is the Unitholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.

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ESR Funds Management (S) Limited
(as Manager of ESR-REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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