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

PROPOSED MERGER OF ESR-REIT AND ARA LOGOS LOGISTICS TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

UPDATE OF FREQUENTLY ASKED QUESTIONS

ARA LOGOS Logistics Trust Management Limited, the manager (the "**ALOG Manager**") of ARA LOGOS Logistics Trust ("**ALOG**"), has updated its responses to the list of frequently asked questions (the "**FAQs**") by unitholders in relation to the proposed merger of ESR-REIT and ALOG as set out on the website of ALOG at the URL https://investor.aralogos-reit.com/proposed-merger-with-esr-reit.html. The ALOG Manager's responses to the FAQs can also be found in the Appendix to this Announcement.

By Order of the Board
ARA LOGOS Logistics Trust Management Limited
(as manager of ARA LOGOS Logistics Trust)
(Company registration no. 200919331H)

Karen Lee
Chief Executive Officer
8 February 2022

Responsibility Statement
The directors of the ALOG Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement which relate to ALOG and/or the ALOG Manager (excluding those relating to ESR-REIT and/or the ESR-REIT Manager) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the ALOG Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including ESR-REIT and/or the ESR-REIT Manager), the sole responsibility of the directors of the ALOG Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the ALOG Manager do not accept any responsibility for any information relating to ESR-REIT and/or the ESR-REIT Manager or any opinion expressed by ESR-REIT and/or the ESR-REIT Manager.

ABOUT ARA LOGOS LOGISTICS TRUST ("ALOG")

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

As at 31 December 2021, ALOG's portfolio comprises 30 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia as well as 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively. The portfolio has a total gross floor area of approximately 1.0 million square metres and is valued at approximately S$1.8 billion[1].

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

ABOUT ARA LOGOS LOGISTICS TRUST MANAGEMENT LIMITED

ALOG is managed by ARA LOGOS Logistics Trust Management Limited (the "**Manager**"), a wholly-owned subsidiary of LOGOS and ARA Asset Management Limited ("**ARA**").

LOGOS is a dynamic and growing logistics specialist with operations across 10 countries in Asia Pacific. LOGOS' shareholders comprise ESR Group and its Founders, John Marsh and Trent Iliffe. LOGOS has circa 9 million sqm of property owned and under development, with a total completed value of over US$18 billion, across 29 ventures, including ALOG. As a vertically integrated business, LOGOS manages every aspect of logistics real estate, from sourcing land or facilities, to undertaking development and asset management, on behalf of some of the world's leading global real estate investors.

ARA is part of the ESR Group (the "**Group**"), APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US$140 billion in gross AUM, our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US$45 billion. Our purpose – *Space and Investment Solutions for a Sustainable Future* – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

For more information, please visit https://www.esr.com, https://www.ara-group.com and https://www.logosproperty.com.

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[1] Portfolio value includes ALOG's 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively. Excludes the Heron Property as the acquisition of the Heron Property was only completed on 11 January 2022.

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

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

*All capitalised terms, unless separately defined shall have the same meanings ascribed to them in the joint announcement issued by the ESR-REIT Manager and the ALOG Manager entitled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement" dated 15 October 2021 (the "**Joint Announcement**") and the revised joint announcement issued by the ESR-REIT Manager and the ALOG Manager entitled "Proposed Merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a Trust Scheme of Arrangement – Revision of Scheme Consideration" dated 22 January 2022 (the "**Revised Joint Announcement**").*

The directors of the ALOG Manager (including those who may have delegated detailed supervision of this FAQ) have taken all reasonable care to ensure that the facts stated and opinions expressed in this FAQ (other than those relating to ESR-REIT and/or the ESR-REIT Manager) are fair and accurate and that there are no other material facts not contained in this FAQ, the omission of which would make any statement in this FAQ misleading. The directors of the ALOG Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including ESR-REIT and/or the ESR-REIT Manager), the sole responsibility of the directors of the ALOG Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this FAQ. The directors of the ALOG Manager do not accept any responsibility for any information relating to ESR-REIT and/or the ESR-REIT Manager or any opinion expressed by ESR-REIT and/or the ESR-REIT Manager.

*Unitholders are encouraged to read this FAQ in conjunction with the Revised Joint Announcement and the revised scheme document (the "**Revised Scheme Document**") which will be issued in due course.*

1. What is the transaction about?

- This is a proposed merger of ALOG and ESR-REIT, to be effected through the acquisition of all the units of ALOG, by way of a trust scheme of arrangement.

2. What is the Revised Scheme Consideration?

- The Revised Scheme Consideration has improved where for each ALOG Unit held, each ALOG Unitholder shall receive:

  a. payment of S$0.097 in cash; and
  b. allotment and issuance of 1.7729 new ESR-REIT Units (Consideration Units) at an issue price of S$0.4924 per ESR-REIT Unit

  in accordance with the terms and conditions of the Amended and Restated Implementation Agreement.

- By way of illustration, an ALOG Unitholder will receive S$97.00 in cash and 1,772 new ESR-REIT Units for every 1,000 ALOG Units held by it as at the Books Closure Date.
- ALOG Unitholders shall have the right to receive and retain the ALOG Permitted Distributions in addition to the Revised Scheme Consideration.
- The enlarged REIT will be known as ESR-LOGOS REIT or E-LOG.

- Please refer to table below for a comparison of the Revised Scheme Consideration versus the original Scheme Consideration.

Comparison of Illustrative Scheme Consideration Value
(Based on 1 month VWAP of ESR-REIT units)

	Revised Proposal	Original Proposal	Percentage Change
Consideration Units	1.7729 new ESR-REIT units	1.6765 new ESR-REIT units	5.8%
A Illustrative Value of Consideration Units *(Rebased using 1-month VWAP for like-for-like comparison of Consideration)*	S$0.836	S$0.791[a]	5.8%
B Cash Consideration	S$0.097	S$0.095[a]	2.1%
A + B Illustrative Value of the Scheme Consideration	**S$0.933**	S$0.886[a]	5.3%
Historical Pro Forma DPU Accretion[b]	12.8%	8.2%	460 bps
Historical Pro Forma NAV Per Unit Accretion[c]	5.3%	2.2%	310 bps

Notes:

a) Based on net exchange ratio of 1.6765x and ESR-REIT 1 month volume weighted average price ("**VWAP**") per Unit of S$0.4713 as at the Last Trading Date, plus cash consideration of S$0.095 per ALOG unit.

b) Based on ESR-LOGOS REIT's FY2020 pro forma DPU multiplied by the net exchange ratio and assuming that the Cash Consideration is reinvested at the 1 month VWAP of the ESR-REIT Units on the SGX-ST of S$0.4713 as at the Last Trading Date. For the avoidance of doubt, the historical pro formas are for illustrative purposes only and are not intended to be nor shall they constitute projections or forecasts.

c) Based on ESR-LOGOS REIT's FY2020 pro forma NAV multiplied by the net exchange ratio and assuming that the Cash Consideration is reinvested at the 1 month VWAP of the ESR-REIT Units on the SGX-ST of S$0.4713 as at the Last Trading Date. For the avoidance of doubt, the historical pro formas are for illustrative purposes only and are not intended to be nor shall they constitute projections or forecasts.

3. How was the Revised Scheme Consideration determined?

- As set out in the Revised Joint Announcement, the Revised Scheme Consideration was determined based on commercial negotiations between the ALOG Manager and the ESR-REIT Manager
- Factors considered in arriving at the Revised Scheme Consideration (by determining the exchange ratio) include (without limitation):

   a. the commercial rationale of the Merger (as set out in section 3 of the Revised Joint Announcement, the scheme document issued by the ALOG Manager dated 5 January 2022 and the Joint Announcement);

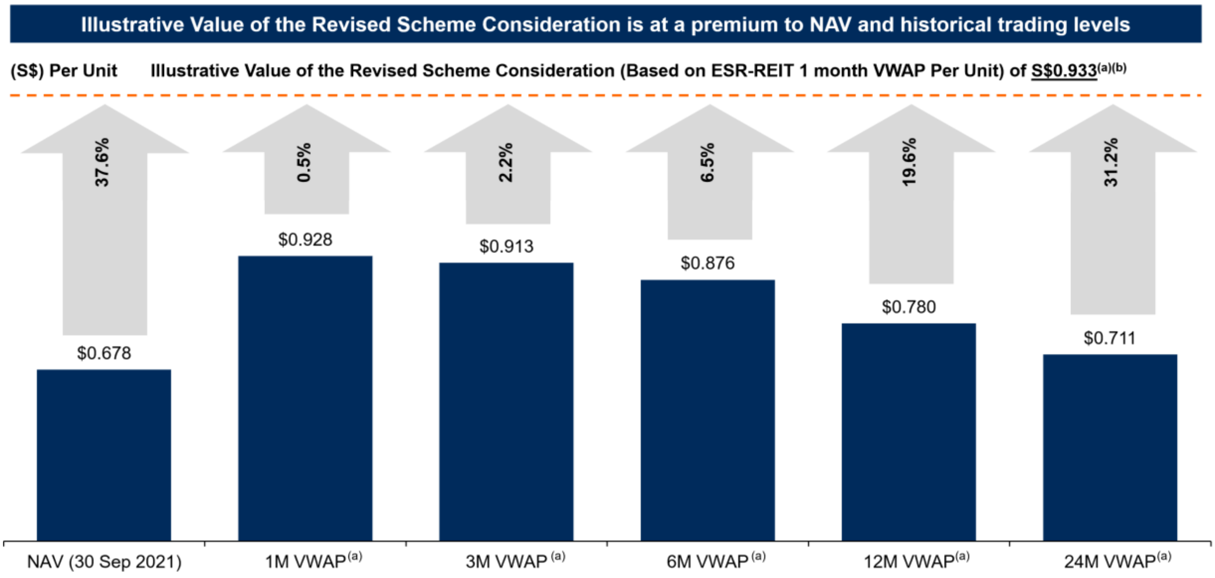
b. a strong conviction that the Merger is the best way forward for both ALOG and ESR-REIT as it would combine two best-in-class platforms to form a leading New Economy APAC S-REIT;
c. the quality of ALOG's portfolio, the robustness and strong demand of the overall Australian market, in particular the logistics sector, which continues to see strong demand growth and cap rate compression;
d. the historical relative trading prices of ALOG Units and ESR-REIT Units;
e. balancing the respective financial impact to ALOG Unitholders and ESR-REIT Unitholders from DPU and NAV per unit accretion and dilution perspectives on a pro forma FY2020 basis;
f. the gearing of the combined REIT post-Merger; and
g. other factors previously set out in the scheme document issued by the ALOG Manager dated 5 January 2022 and the Joint Announcement.

- The ALOG Manager would like to emphasise that this proposed transaction is intended as a merger and not a complete sell-out of ALOG and/or its underlying assets. As such, the relative valuations of ALOG and ESR-REIT would need to be balanced from the perspectives of their respective unitholders. If the Merger is approved, ALOG Unitholders will continue to be invested in the existing portfolio of ALOG assets, which will be part of the enlarged ESR-REIT, while crystalising part of their investment returns in cash.

4. How does the Revised Scheme Consideration compare with the historical trading prices of ALOG Units?

- As the spot price of a stock at any given time may be subject to market fluctuations and wider macro events, we have benchmarked the reference price for ESR-REIT units with the 1 month VWAP per unit price to better reflect the traded price of each ESR-REIT unit for the 1 month prior to 15 October 2021, being the date of the Joint Announcement.
- The illustrative value of the Revised Scheme Consideration is S$0.933 per ALOG Unit. This is calculated based on the aggregate of the Revised Cash Consideration of S$0.097 and the implied value of the Consideration Units (i.e. 1.7729 new ESR-REIT Units) based on the 1 month VWAP per ESR-REIT Unit prior to the Joint Announcement.
- We would like to reiterate to ALOG Unitholders that

  a. The illustrative value of the improved Scheme Consideration of S$0.933 is 5.3% higher than the previous offer when compared on a like-for-like basis
  b. The illustrative value per ALOG Unit also represents a premium of 0.5 – 31.2% when compared to ALOG's 1-month to 12-month VWAP. This also represents a 37.6% premium to ALOG's NAV[5] which is the highest premium paid for any precedent S-REIT merger and S-REIT privatisations[6]



Notes:

a) Market data as of the Last Trading Date.
b) Based on net exchange ratio of 1.7729x and ESR-REIT 1 month VWAP per Unit as at the Last Trading Date, plus cash consideration of S$0.097 per ALOG unit.

c. Historical Pro Forma FY2020 DPU accretion to ALOG Unitholders increases significantly from 8.2% (original Scheme Consideration) to 12.8% (Revised Scheme Consideration) and Historical Pro Forma FY2020 NAV per unit accretion to ALOG Unitholders increases from 2.2% (original Scheme Consideration) to 5.3% (Revised Scheme Consideration).

- We would also encourage unitholders to consider the merits of the proposed transaction holistically, taking into account the longer term value creation objectives.

5. Is the Merger proposed to mitigate the conflicts of interests resulting from the Proposed ARA Acquisition?

- Both the ALOG Manager and the ESR-REIT Manager believe the Merger will be mutually beneficial to both sets of unitholders with the key objective to reposition two leading REITs to form a leading New Economy APAC S-REIT with the largest New Economy pipeline in APAC.
- 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 will share a common sponsor, and have overlapping mandates.
- Since ESR-REIT and ALOG have overlapping mandates, conflicts of interest may inevitably arise which may negatively impact both REITs. In the absence of the proposed 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.

- If ESR-REIT and ALOG were to continue to operate independently, the ESR Group 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 ESR Group or even for the same third-party assets.
- The ALOG Manager would also like to highlight that other alternative options such as a direct sale of portfolio assets and a sale of the ALOG Manager to a third-party may not be optimal for the following reasons:

  a. **Premium to NAV:** ALOG was trading at more than 30 per cent premium to its NAV[1], a divestment of the underlying portfolio may not have achieved a similar premium to the NAV and it would also result in ALOG Unitholders ceasing to have an interest in the returns from being invested in the existing portfolio of assets;
  b. **Associated costs and financing constraints:** Potential acquirers of the portfolio assets may require acquisition debt financing, which amount could be limited by the asset valuations of the underlying assets. In addition, direct divestment of portfolio assets could result in additional costs relating to stamp duties (for acquirers), and potential tax liability for ALOG;
  c. **Limited buyer pool:** The Singapore industrial market is highly regulated, especially for industrial assets located on JTC industrial land. Notably, ALOG's entire portfolio of Singapore assets sits on JTC land. As there are stringent qualifying criteria imposed on buyers of such properties, the pool of potential buyers is likely limited to end-users and entities which hold capital markets services licences; and
  d. If the ESR Group were to sell the ALOG Manager to a third party, ALOG Unitholders would cease to have access to the potential pipeline of New Economy assets of more than US$59 billion[2] from the ESR Group, being the largest in APAC.

- The Merger will address the issue of overlapping mandates in relation to asset pipeline, tenant and operational network, and financial resources and safeguard the interests of unitholders of both REITs. At the same time, the Merger will create a win-win outcome for both sets of unitholders as ESR-LOGOS REIT will have access to the ESR Group's assets of more than US$59 billion[2] in New Economy pipeline and US$10 billion[3] work-in-progress development pipeline in an increasingly scarce environment for quality logistics properties.

6. What is the rationale of this Merger?

- As set out in paragraph 2.4 of the Letter to ALOG Unitholders in the scheme document issued by the ALOG Manager dated 5 January 2022 and section 3 of the Revised Joint Announcement, the proposed Merger is expected to create a leading New Economy APAC S-REIT (amongst the top 10 largest S-REITs by free float market capitalisation), with access to a pipeline of more than US$59 billion2 New Economy assets and US$10 billion3 work-in-progress development pipeline from its sponsor, the ESR Group.

- ALOG Unitholders may wish to consider the following:

  a. **Financial benchmarking of the illustrative value of the Revised Scheme Consideration**

  - The illustrative value of the Revised Scheme Consideration, being S$0.933[4] per ALOG Unit, represents a premia of 0.5%, 2.2%, 6.5%, 19.6% and 31.2% over the one (1)-month VWAP (S$0.928), three (3)-month VWAP (S$0.913), six (6)-month VWAP (S$0.876), 12-month VWAP (S$0.780) and 24-month VWAP (S$0.711) per ALOG Unit prior to 15 October 2021, being the Joint Announcement Date.
  - It also represents a 37.6% premium to ALOG's NAV[5] which is the highest premium paid for any precedent S-REIT merger and S-REIT privatisation[6] and reflects the high quality of ALOG's logistics assets.

  b. **Value accretive to ALOG Unitholders on a historical pro forma basis**

  - DPU accretion of 12.8% and NAV accretion of 5.3% for ALOG Unitholders on a pro forma FY2020 basis based on the Revised Scheme Consideration. The DPU accretion of 12.8% on a pro forma FY2020 basis is the highest amongst the five (5) completed S-REIT mergers since 2018[7].

  c. **Leverage on Sponsor's fully integrated platform and global tenant network**

  - As set out in paragraph 2.4(b) of the Letter to ALOG Unitholders in the scheme document issued by the ALOG Manager dated 5 January 2022, ESR-LOGOS REIT will be sponsored by ESR Group, the largest Asia Pacific real estate fund manager with the largest assets under management ("**AUM**") in Asia Pacific, and leverage on the enlarged ESR Group's fully integrated New Economy focus platform, the largest amongst S-REIT sponsors (by AUM) and reap the following benefits:

    - Access to the Sponsor's global tenant network;
    - Expanded operational expertise, scale and network;
    - De-risk new market entry into key Asia Pacific markets such as Southeast Asia, China, Japan, South Korea and India where the Sponsor has market leading presence;
    - Improved deal sourcing network;
    - Explore potential partnership opportunities for new acquisitions; and
    - Leverage on the Sponsor's capital sourcing network and capital commitment to ESR-LOGOS REIT to fund growth.

d. **Enhanced growth trajectory with access to the largest New Economy AUM in APAC**

- As set out in paragraph 2.4(c) of the Letter to ALOG Unitholders in the scheme document issued by the ALOG Manager dated 5 January 2022, ESR-LOGOS REIT will have access to the largest New Economy pipeline and the largest work-in-progress development pipeline in APAC amongst S-REITs.
    - ESR-LOGOS REIT will be able to access to ESR Group's assets of more than US$59 billion[2] in New Economy pipeline and US$10 billion[3] work-in-progress development pipeline in an increasingly scarce environment for quality logistics assets.
    - An initial pipeline of approximately US$2 billion of visible and executable within the next 12 – 18 months New Economy pipeline in APAC is available from the ESR Group, which will accelerate ESR-LOGOS REIT's growth as a leading New Economy APAC S-REIT.
    - Both the ESR Group and the LOGOS Group have historically demonstrated strong commitment in delivering quality assets to ESR-REIT Unitholders and ALOG Unitholders.
    - Enlarged portfolio also comes with embedded organic growth opportunities such as ongoing asset enhancement initiatives "(**AEIs**") at ESR-REIT and other renewable energy projects.

e. **Creating a top 10 S-REIT by free float**

- As set out in paragraph 2.4(d) of the Letter to ALOG Unitholders in the scheme document issued by the ALOG Manager dated 5 January 2022, ESR-LOGOS REIT is expected to become among the top 10 largest REITs in Singapore with a free float market capitalisation of S$2.5 billion[8] and total assets of S$5.4 billion[9], respectively.
    - The enlarged scale of the combined portfolio will enhance the Enlarged REIT's visibility within the S-REIT universe, providing better access to competitive sources of capital and enjoy greater funding flexibility.
    - Greater visibility and scale provide key benefits including:

        a. Higher trading liquidity;
        b. A larger weightage in the FTSE EPRA Nareit Global Developed Index;
        c. Larger institutional investor base;
        d. Increased analyst coverage; and
        e. Potential future index inclusion, which could lead to a positive re-rating of ESR-LOGOS REIT's unit price, benefiting all unitholders of ESR-LOGOS REIT.

f. **Enlarged portfolio with enhanced flexibility, ability to drive growth and ESG offerings which will:**

- Provide increased capacity to undertake larger transactions, AEIs and development projects as well as increased debt headroom and flexibility to perform portfolio re-balancing;
- Improve ALOG's offering given multiple asset locations options for third-party logistics / e-commerce tenants;
- Improve tenant diversification with high-quality tenants and reduced concentration risk, with ESR-LOGOS REIT's top 10 tenants' contribution to gross rental income ("**GRI**") decreasing to 26.3%[10] and no single tenant accounting for more than 4.6%[11] of ESR-LOGOS REIT's GRI on a pro forma basis; and
- Enhance ESR-LOGOS REIT's environment, social and governance offerings with continued commitments towards sustainable operations and responsible investments.

- The ALOG Independent Directors have evaluated the Revised Scheme Consideration and the rationale and benefits of the Merger and have, subject to the updated opinion of the ALOG IFA in relation to the revised financial terms of the Scheme (to be set out in the Revised Scheme Document and in the absence of a competing offer, preliminarily recommended that ALOG Unitholders vote in favour of the Merger.
- The updated ALOG IFA's opinion, as well as the final recommendation of the ALOG Independent Directors, will be set out in the Revised Scheme Document to be despatched by ALOG in due course. ALOG Unitholders are advised to refrain from taking any action in relation to their ALOG units which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the ALOG Independent Directors as well as the advice of the ALOG IFA set out in the Revised Scheme Document.

7. What were the key assumptions used in arriving at the historical pro forma FY2020 DPU accretion of 12.8% to ALOG unitholders?

	Description
Period of assessment	Based on the FY2020 Audited Financial Statements for both ALOG and ESR-REIT assuming that the Merger occurred on 1 January 2020
Pro forma adjustment – corporate actions	The following corporate actions undertaken by ALOG and ESR-REIT in FY2021 are assumed to have been completed on 1 January 2020: • FY2021 ESR-REIT Acquisitions • FY2021 ESR-REIT Divestments • ESR-REIT EFR • FY2021 ALOG Acquisitions • FY2021 ALOG Divestments

	Description
	• ALOG EFR (each as defined in the Revised Joint Announcement)
Pro forma adjustment – asset management and trustee fee structure	Replaced with ESR-REIT management and trustee fee structure
Scheme consideration	S$140.7 million in cash; and Issuance of approximately 2,571.1 million new ESR-REIT units
ALOG borrowings and perpetual securities	Existing borrowings, related interest rate swaps and outstanding perpetual securities are 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 S$251.5 million of new perpetual securities (at an illustrative coupon rate of 4.50% per annum).
Upfront land premium	Approximately S$87.9 million to be paid to JTC at completion of merger funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum. *Note: Under JTC's prevailing terms and conditions, the existing land rental payment scheme will be converted to an upfront payment scheme. Payment of the land premium results in net savings after accounting for reduction in land rent and additional finance costs; contributing to the 12.8% DPU accretion. The actual upfront land premium is subject to JTC's confirmation. Accordingly, the actual upfront land premium may differ from the estimated upfront land premium amount of S$87.9 million which is based on the ESR-REIT Manager's current estimates.*
Acquisition fees	Approximately S$15.9 million to be paid via the issuance of approximately 32.3 million new ESR-REIT units based on illustrative issue price of S$0.4924 per ESR-REIT unit.
Transaction fees	Professional fees, stamp duty and other fees and expenses of approximately S$32.9 million to be funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum.

Unitholders should note that the aforementioned assumptions exclude any other operational and trust level savings or potential synergies from the Merger.

Please refer to Schedule 1 of the Revised Joint Announcement for further information.

8. What were the key assumptions used in arriving at the historical pro forma FY2020 NAV per unit accretion of 5.3% to ALOG unitholders?

	Description
Period of assessment	Based on the FY2020 Audited Financial Statements for both ESR-REIT and ALOG assuming that the Merger occurred on 31 December 2020
Pro forma adjustment – corporate actions	The following corporate actions undertaken by ESR-REIT and ALOG in FY2021 are assumed to have been completed on 31 December 2020: • FY2021 ESR-REIT Acquisitions • FY2021 ESR-REIT Divestments • ESR-REIT EFR • FY2021 ALOG Acquisitions • FY2021 ALOG Divestments • ALOG EFR (each as defined in the Revised Joint Announcement)
Pro forma adjustment – Property valuations	Following properties revalued to latest actual independent valuations as at 30 September 2021: • ESR-REIT Real Properties; • EALP Real Properties; • ALOG Real Properties; and • ALOG Fund Real Properties[12]
Scheme consideration	S$140.7 million in cash; and Issuance of approximately 2,571.1 million new ESR-REIT units
ALOG borrowings and perpetual securities	Existing borrowings, related interest rate swaps and perpetual securities outstanding are 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 S$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum.
Acquisition fees	Approximately S$15.9 million to be paid via the issuance of approximately 32.3 million new ESR-REIT units based on illustrative issue price of S$0.4924 per ESR-REIT unit.
Transaction fees	Professional fees, stamp duty and other fees and expenses of approximately S$32.9 million to be funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum.

Please refer to Schedule 1 of the Revised Joint Announcement for further information.

9. Could ALOG have achieved cost savings independently and carried out its own refinancing at lower costs? Could ALOG have paid JTC the upfront land premium even without the Merger to reduce the land rent expense?

- As at 4Q FY2021, the weighted average "all-in" finance cost for ALOG is 2.77% per annum. The weighted average "all-in" finance cost of the new banking facilities which has been obtained to re-finance ALOG is 2.25% per annum. We believe the decrease in finance cost and resulting financing cost savings is achievable due to the expected larger enlarged REIT with a total asset size of S$5.4 billion9, 100% unencumbered portfolio and lower portfolio risks due to better portfolio diversification in terms of geographies, asset sectors, number of tenants and tenant concentration risks, and may not be achievable if ALOG remains as a stand-alone REIT.
- The upfront land premium is approximately S$87.9 million and will be fully funded by debt. Had ALOG undertaken such an exercise, it would have resulted in a significant increase in ALOG's gearing ratio which may not be feasible from a capital structure perspective given our current size.
- In this regard, the ALOG Manager would like to highlight that the historical pro forma DPU accretion would be due to, *inter alia*:

  a. Financing cost savings arising from the replacement of ALOG's total borrowings, interest rate swaps and perpetual securities;
  b. Net cost savings from the reduction in land rent expenses for the ALOG Real Properties in Singapore and increased financing cost from the debt funded upfront land premium payment;
  c. Differential in the trading yields of ALOG and ESR-REIT; and
  d. ESR-REIT paying the acquisition fees pursuant to the Merger by issuing new ESR-REIT Units to its manager.

- Please also refer to Schedule 1 of the Revised Joint Announcement for full details of the pro forma financial effects of the Merger and the related bases and assumptions.

10. Why are the unitholders being offered part-cash-part-units Scheme Consideration?

- A part-cash-part-units Scheme Consideration allows ALOG Unitholders to:

  a. roll into an enlarged REIT at an attractive exchange ratio and continue to enjoy any upside from their continued investment in ESR-LOGOS REIT, including the immediate DPU and NAV accretion of 12.8% and 5.3% on a FY2020 pro forma basis and the Merger benefits as presented in the Revised Joint Announcement;
  b. crystallise the premium to NAV and enjoy a 5.3% NAV per unit accretion on a FY2020 pro forma basis; and

c. partially realise their investment in ALOG for cash at an attractive price without brokerage cost.

- ESR-REIT is listed on the Main Board of the SGX-ST and the Consideration Units will be listed on the SGX-ST. Accordingly, the Consideration Units are readily tradable.

11. What are the terms of the new financing facility?

- Existing borrowings, related interest rate swaps and perpetual securities outstanding are replaced with new banking facilities of approximately S$618.7 million at a weighted "all-in" finance cost of 2.25% per annum and S$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum.
- On a pro forma basis, ESR-LOGOS REIT's weighted average debt expiry is approximately 3.4 years vs ALOG's current weighted average debt expiry of approximately 3.3 years.
- The new banking facilities will also be on an unencumbered basis. On a pro forma basis, 100% of ESR-LOGOS REIT's debt will be unencumbered vs approximately 80% for ALOG currently.

12. Who initiated this deal and when did negotiations start?

- Commercial discussions between the ALOG Manager and the ESR-REIT Manager on the feasibility of the Merger only commenced after the Sponsor's 4 August 2021 announcement on the Proposed ARA Acquisition. The merits of a merger were analysed and carefully considered by both REIT's boards before proposing to both sets of unitholders.

13. What is the gearing of ESR-LOGOS REIT post-Merger? What is the gearing target? How will the ALOG Manager manage the gearing post-merger?

- Post-Merger, the pro forma FY2020 gearing of ESR-LOGOS REIT will be 42.1% (as at 31 December 2020).
- At the same time, ALOG's debt headroom[13] will increase by more than two times from S$396 million to S$809 million post-Merger.
- The ALOG Manager has demonstrated a strong track record of managing debt costs while extending debt tenure with a wide range of lending banks, validating its capital management strategy. Post-Merger, the ESR-LOGOS REIT Manager will also review and consider divesting selected non-core assets as part of its ongoing portfolio optimisation strategy to recycle capital and accelerate its pivot into New Economy real estate.

14. Which overseas markets will ESR-LOGOS REIT expand into post-Merger?

- When considering potential expansion overseas, ESR-LOGOS REIT will focus on markets in which the Sponsor has an operating platform, footprint, and network which include Southeast Asia, China, South Korea, Japan, India, and Australia.

- This also provides tangible benefits including:

  a. access to a global tenant network;
  b. leverage local presence to de-risk new market entry;
  c. improving its deal sourcing network;
  d. potential partnership opportunities for new acquisitions; and
  e. leveraging ESR Group's capital sourcing network and its capital commitment to ESR-LOGOS REIT to fund growth.

- With the opportunity to access the Sponsor's assets of more than US$59 billion2 and a work-in-progress development value of more than US$10 billion3 across 10 markets, ESR-LOGOS REIT has a competitive edge to supercharge its growth in an environment where quality New Economy properties are becoming increasingly scarce.

15. What are the approvals required?

ESR-REIT

- Merger – Ordinary Resolution
  - >50% of total number of votes cast by ESR-REIT unitholders present and voting

- Issuance of Consideration Units – Ordinary Resolution
  - >50% of total number of votes cast by ESR-REIT unitholders present and voting

- ESR Cayman Limited, Summit Group, Mitsui and their respective associates are required to abstain from voting

ALOG

- Amendment of Trust Deed – Special Resolution *(Resolution 1)*
  - To include provisions that will facilitate the implementation of the Scheme
  - At least 75% of total number of votes cast by ALOG unitholders present and voting

- Approval of Scheme *(Resolution 2)*
  - >50% in number of unitholders representing >75% of total number of votes cast by ALOG unitholders present and voting
  - ESR-REIT Manager and its concert parties, and common substantial unitholders of ESR-REIT and ALOG, as well as the ALOG Manager will abstain from voting.

  Note: Resolution 1 is not conditional on resolution 2 being passed, but resolution 2 is contingent upon the approval of resolution 1.

- Court Approval
  - Court approval to convene the scheme meeting and to sanction the Scheme.

16. What will happen to the perpetual securities currently issued by ALOG?

- The S$100.0 million perpetual securities issued by ALOG is callable by the issuer in February 2023.
- Given the announcement of the potential merger of ALOG with ESR-REIT, ALOG will be an unlisted sub-trust of ESR-LOGOS REIT upon successful completion of the Merger.
- As ALOG's perpetual securities do not require its issuer (ALOG) to be listed, successful completion of the Merger will not trigger a mandatory redemption of its perpetual securities.
- To avoid perpetual security holders from holding securities of an unlisted entity post-Merger completion, ESR-REIT has expressed its intent to redeem the aforementioned perpetual securities upon successful completion of the Merger.

17. Who will lead the management of the Enlarged REIT?

- Mr. Adrian Chui will be the CEO with Ms. Karen Lee as Deputy CEO
- Ms. Karen Lee brings in a strong operator and real estate background together with her experience in investment, asset management and operational skill sets. She will be responsible for executing the growth strategy for ESR-LOGOS REIT.
- Mr. Adrian Chui brings in a strong background in capital markets, and together with Ms. Karen Lee, will contribute a unique set of skills to ESR-LOGOS REIT.

18. What is the indicative timeline of the Merger?

In view of the Revised Scheme Consideration announced on 22 January 2022, the deferred EGM and Scheme Meeting are expected to be held in March 2022. Further details on the deferred meetings will be provided by the ALOG Manager in due course.

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1 With reference to ALOG's closing price of S$0.935, as well as one (1)-month VWAP of S$0.928, 3 month VWAP of S$0.913, as of the last full trading day immediately prior to the Joint Announcement Date, and NAV per ALOG Unit of S$0.678, as of 30 September 2021.

2 Based on the ESR Group's management estimate for the ESR Group (including the AUM of its associates) as of 31 December 2021.

3 ESR Group data as of 30 June 2021.

4 The illustrative value of the Revised Scheme Consideration represents the sum of (i) the value of the Consideration Units based on ESR-REIT's 1-month VWAP as at the Last Trading Date and (ii) the Cash Consideration.

5 With reference to ALOG's NAV as of 30 September 2021.

6 In comparison for the P/NAV implied by scheme consideration for precedent S-REIT mergers for CapitaLand Commercial Trust, Frasers Commercial Trust, Ascendas Hospitality Trust, OUE Hospitality Trust, Viva Industrial Trust and Keppel Infrastructure, Trust, as well as the P/NAV implied by consideration paid for precedent S-REIT privatisations of Soilbuild Business Space REIT, Accordia Golf Trust, Religare Health Trust, Saizen REIT, Croesus Retail Trust, Forterra Trust and Perennial China Retail Trust.

7 For comparison, the historical pro forma DPU accretions for the following successfully completed S-REIT mergers are: (i) CCT-CMT merger (7.6%); (ii) FCOT-FLT merger (2.5%); (iii) A-HTRUST-ART merger (1.8%); (iv) OUE H-TRUST-OUE C-REIT merger (1.4%); and (v) ESR-REIT-VIT merger (3.6%).

8 ESR-LOGOS REIT's free float of S$2.5 billion is computed based on 5,035 million free float units of ESR-LOGOS REIT multiplied by an issue price of S$0.4924 per ESR-REIT Unit.

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

10 As at 30 June 2021.

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

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12 "**ALOG Fund Real Properties**" means (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 Morphett Place, Erskine Park, New South Wales, 34-58 Marshall Court, Altona, Victoria and 27-43 Toll Drive, Altona North, Victoria; and (b) the property in Australia in which the Oxford Property Fund holds a 100.0% interest, namely 1 Hume Road, Laverton North, Victoria.

13 Debt headroom is based on an aggregate leverage limit of 50% under the Property Funds Appendix, calculated headroom from FY2020 pro forma adjusted aggregate leverage.