THIS SCHEME DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
PLEASE READ IT CAREFULLY

SCHEME DOCUMENT

DATED 7 AUGUST 2018

EGM RESOLUTIONS

1. THE PROPOSED VIT TRUST SCHEME AMENDMENTS TO THE VIT TRUST DEEDS
2. THE PROPOSED VIT FACILITATION FEE AMENDMENTS TO THE VI-REIT TRUST DEED

SCHEME MEETING RESOLUTION

THE PROPOSED MERGER OF ESR-REIT AND VIVA INDUSTRIAL TRUST ("VIT") BY WAY OF A TRUST SCHEME OF ARRANGEMENT

SCHEME CONSIDERATION

S$0.96 per Stapled Security

The Scheme consideration will be satisfied 10% in cash and 90% through the issuance of new ESR-REIT Units

VIVA iTRUST

Viva Industrial Trust
Comprising:

Viva Industrial Real Estate Investment Trust
(a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore)

Managed by
Viva Industrial Trust Management Pte. Ltd.
(Company Registration No: 201204203W)

Viva Industrial Business Trust
(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore)

Managed by
Viva Asset Management Pte. Ltd.
(Company Registration No: 201316690M)

Bank of America Merrill Lynch

Sole Financial Adviser to the VIT Managers

KPMG

Independent Financial Adviser to the VIT Independent Directors and the VI-REIT Trustee

IMPORTANT DATES AND TIMES

EXTRAORDINARY GENERAL MEETING FOR AMENDMENTS TO THE TRUST DEEDS

Last date and time for lodgement of EGM Proxy Form

29 August 2018 at 2.30 p.m.

Date and time of EGM

31 August 2018 at 2.30 p.m.

SCHEME MEETING FOR APPROVAL OF TRUST SCHEME OF ARRANGEMENT

Last date and time for lodgement of Scheme Meeting Proxy Form

29 August 2018 at 4.00 p.m.

Date and time of Scheme Meeting

31 August 2018 at 4.00 p.m.

or as soon thereafter following the conclusion or adjournment of the EGM to be held, whichever is later

VENUE OF EGM AND SCHEME MEETING

STEPHEN RIADY AUDITORIUM @ NTUC,
LEVEL 7, NTUC CENTRE,
ONE MARINA BOULEVARD,
SINGAPORE 018989

YOUR VOTE COUNTS

Please vote in person or by proxy



IMPORTANT NOTICE

IF YOU ARE IN ANY DOUBT ABOUT THIS SCHEME DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all or any of your issued and fully paid-up Stapled Securities in VIT, you should immediately hand this Scheme Document and the accompanying Proxy Forms to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Scheme Document.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

1 What is the background of the Merger?

What has happened?

- On 18 May 2018, the managers of ESR-REIT and VIT issued a joint announcement on the Merger by way of a trust scheme of arrangement.
- Scheme Consideration payable to the Stapled Securityholders is:

S$0.96 per Stapled Security(1)

- The Scheme Consideration will be satisfied via:

10% in cash, **90%** in new ESR-REIT Units

New ESR-REIT Units to be issued at **S$0.54** per ESR-REIT Unit

By way of illustration, if the Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive **S$9.60** in Cash and **160** Consideration Units for every **100** Stapled Securities held as at the Books Closure Date

- A VIT Facilitation Fee of 0.25% of the aggregate Scheme Consideration is proposed to be paid to the VI-REIT Manager.

Who is ESR-REIT?

Selected ESR-REIT Assets


7000 AMK


16 International Business Park


16 Tai Seng Street


120 Pioneer Road


3 Pioneer Sector 3

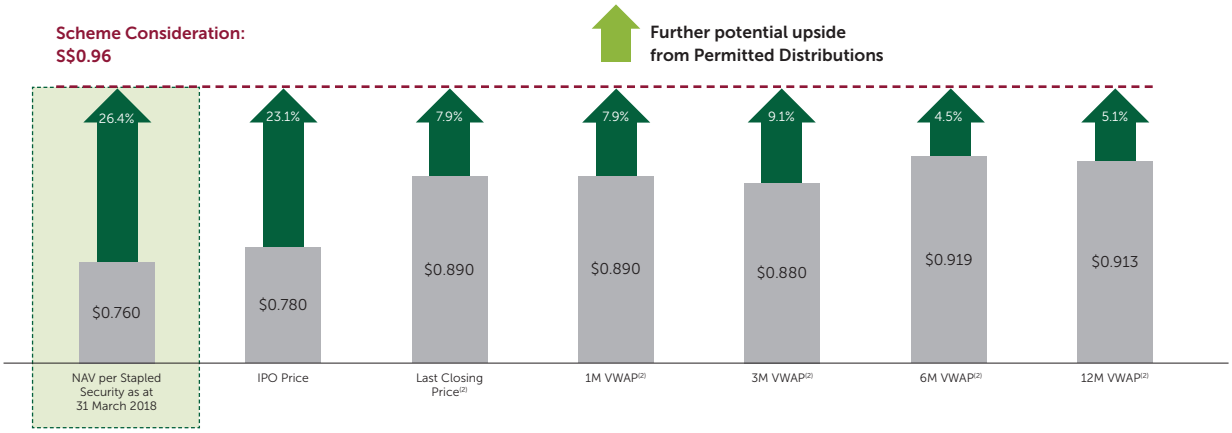

3 Tuas South Ave 4

(1) On an ex-distributions basis.
(2) As at 31 March 2018.

2 Why should VIT merge with ESR-REIT?

1 Attractive Premium to NAV and Historical Trading Prices

- ☑ 26.4% premium to NAV.(1)
- ☑ 7.9% premium to last closing price.(2)
- ☑ Further potential upside from Permitted Distributions retained by Stapled Securityholders.



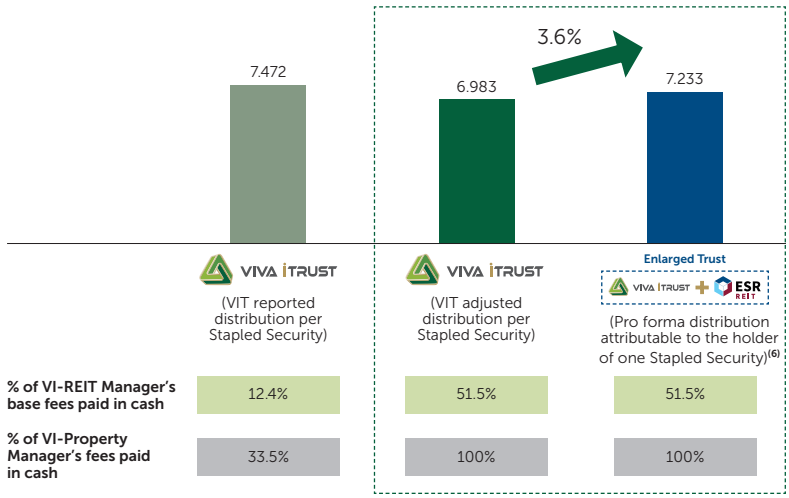
(1) As at 31 March 2018.
(2) Last closing price refers to the closing price of Stapled Security as at 17 May 2018. The VWAPs are with reference to the relevant periods up to and including 17 May 2018, being the last trading day immediately prior to the date of the joint announcement.

2 Proposed Merger will be DPU and NAV Accretive to Stapled Securityholders

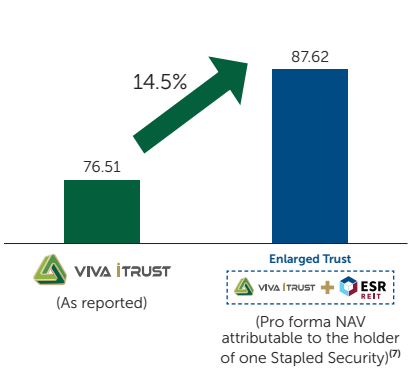
- ☑ 3.6%(3)(4) accretion in Distribution attributable to the holder of one Stapled Security.
- ☑ 14.5%(5) accretion in NAV attributable to the holder of one Stapled Security.

FOR ILLUSTRATIVE PURPOSES ONLY – NOT A FORWARD LOOKING PROJECTION

Distribution Attributable to the Holder of one Stapled Security(3)(4)
(S$ Cents)



NAV Attributable to the Holder of one Stapled Security(5)
(S$ Cents)



(3) For the period of FY2017 assuming the Merger had been completed on 1 January 2017.
(4) After aligning the proportion of the VI-REIT Manager's base fees and the VI-Property Manager's fees paid in cash to be on a like-for-like basis as compared to the Enlarged Trust.
(5) Assumes the Merger had been completed on 31 December 2017.
(6) Calculated as the Enlarged Trust's FY2017 pro forma DPU multiplied by the gross exchange ratio of 1.778 assuming that the cash component of the Scheme Consideration is used to purchase ESR-REIT Units at the issue price of S$0.54.
(7) Calculated as the Enlarged Trust's pro forma NAV per unit as at 31 December 2017 multiplied by the gross exchange ratio of 1.778 assuming that the cash component of the Scheme Consideration is used to purchase ESR-REIT Units at the issue price of S$0.54.

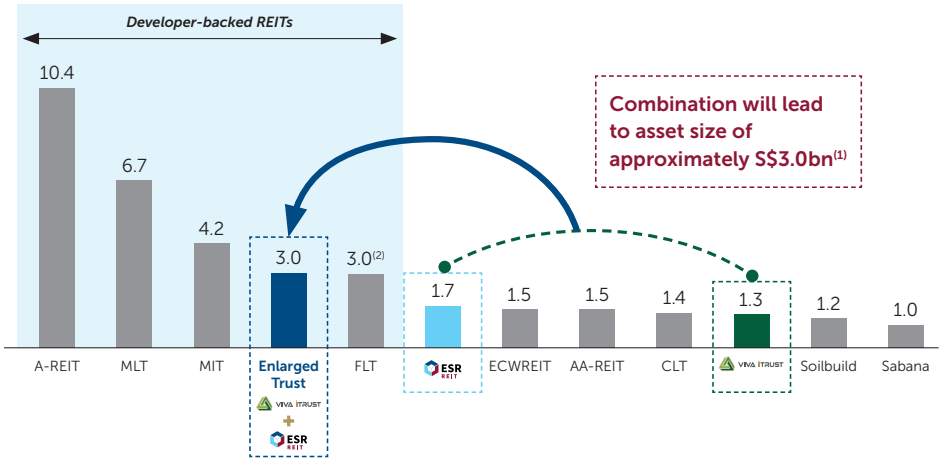


2 Why should VIT merge with ESR-REIT?

3 Creation of a Sizeable and Liquid Industrial Singapore-listed REIT ("S-REIT")

☑ Post the Merger, the Enlarged Trust is expected to become the 4th largest industrial S-REIT with a combined size of c. S$3.0bn.

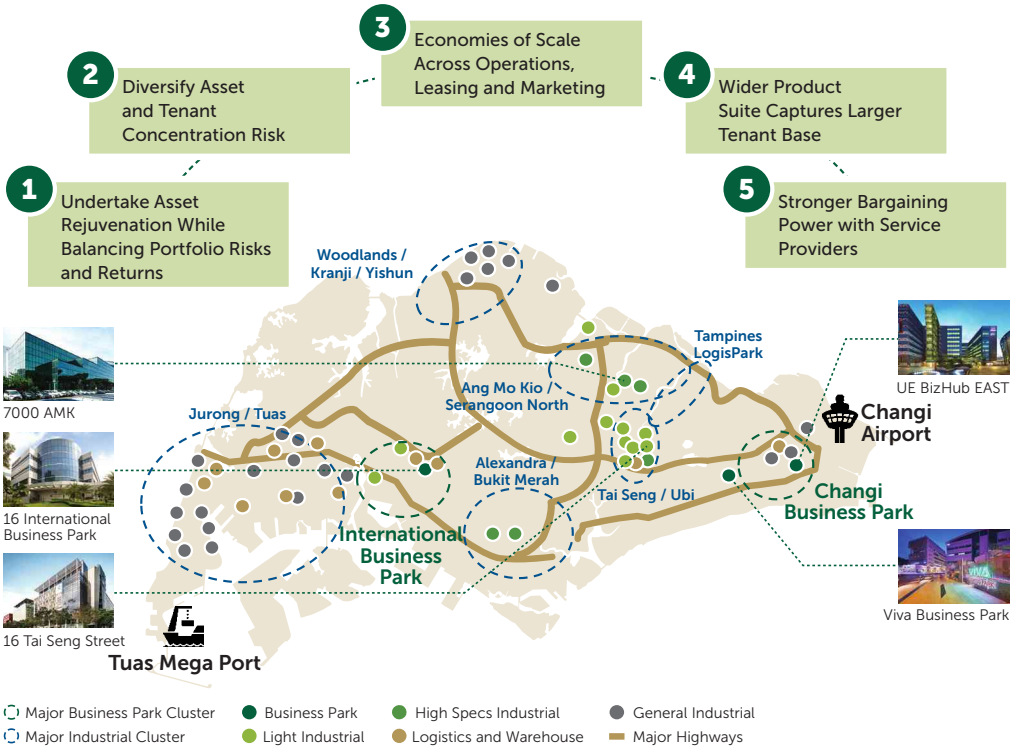
Total Asset Size (S$bn)[1]



(1) As at 31 March 2018
(2) Represents pro forma total asset size as at 31 March 2018, after adjusting for the proposed acquisition of interests in 21 properties in Germany and the Netherlands. Assumes exchange rate based on AUD:SGD of 1.00:1:01 as at the Latest Practicable Date.

4 Enlarged and Diversified Portfolio

☑ Enlarged Trust will have a diversified portfolio of scale with strong island-wide coverage across 56 properties.



2 Why should VIT merge with ESR-REIT?

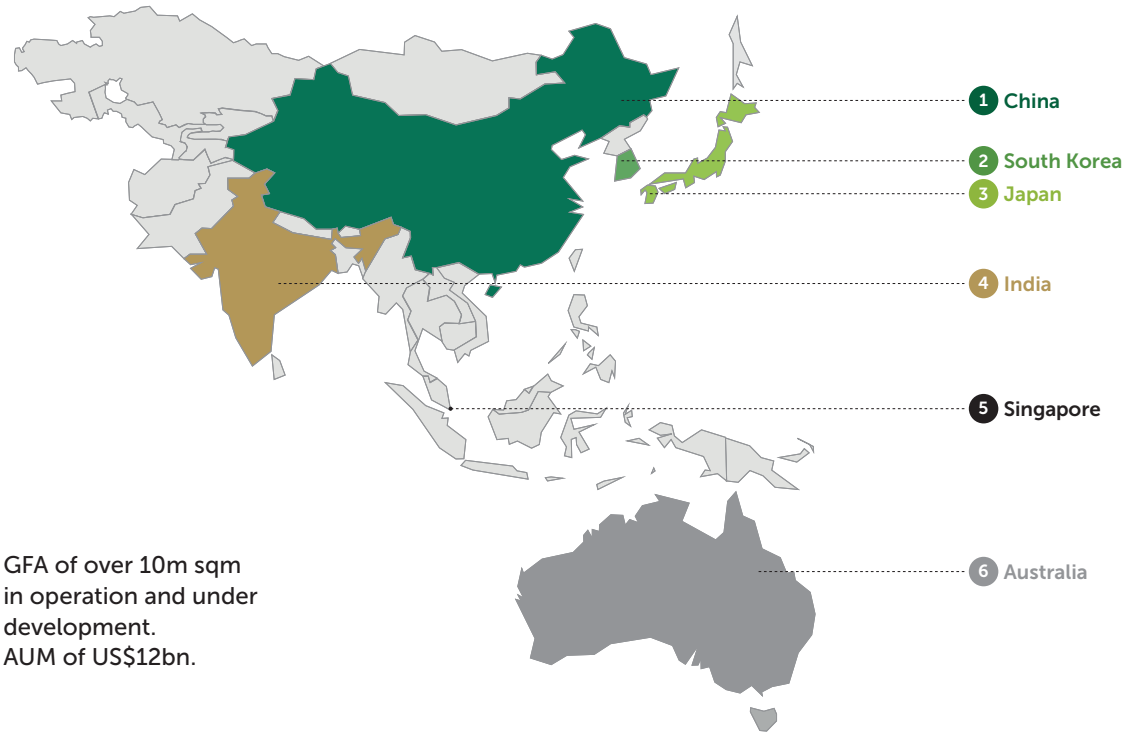
5 Enlarged Trust will be Well-Supported by a Strong and Committed Developer Sponsor

- ☑ Ability to leverage ESR's strong network of strategic relationships with leading global e-commerce companies, retailers, logistic service providers and manufacturers.
- ☑ Opportunities to acquire ESR's visible pipeline of assets – scalable growth and overseas expansion.

ESR

ESR – a leading Pan-Asian logistics real estate developer, operator and fund manager focusing on developing and managing institutional, quality logistics facilities with a high quality tenant base

ESR Group's Regional Presence



- GFA of over 10m sqm in operation and under development.
- AUM of US$12bn.

Selected Properties from ESR's Regional Portfolio



3 Who will be the Manager of the Enlarged Trust?

VIT will become a wholly-owned sub-trust of ESR-REIT and the Enlarged Trust will continue to be managed by ESR-REIT Manager



(1) Including direct interests and / or deemed interests through holding entities. Both ESR's and Mr. Tong Jinquan's unitholdings include their deemed interest in the 29,947,131 ESR-REIT Units to be held by the ESR-REIT Manager, which represents approximately 0.9% of the total number of ESR-REIT Units of the Enlarged Trust.

4 How will the Enlarged Trust look like?

As at March 2018

56
Properties across 5 different sub-asset classes

Total asset size of
S$3.0bn
▲ 131%

Total GFA of approximately 13.6m sq ft
▲ 249%

Reduced contribution from Top 10 tenants
28.7%
from
40.2% FOR VIT

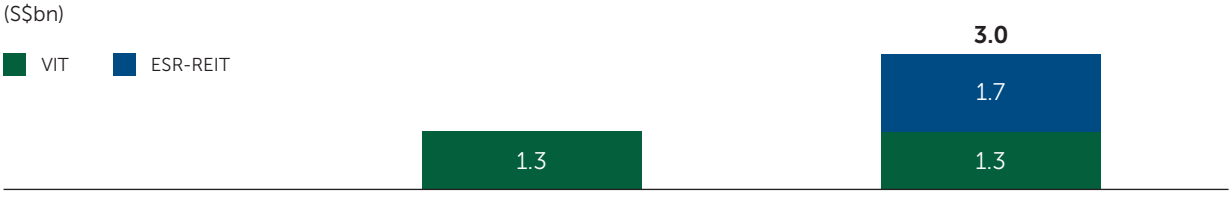
Reduced Land Lease Expiry in the next 20 years
23.1%
from
37.2% for VIT

Weighted Average Lease Expiry
3.8
YEARS

350 tenants from different business sectors
▲ 123%

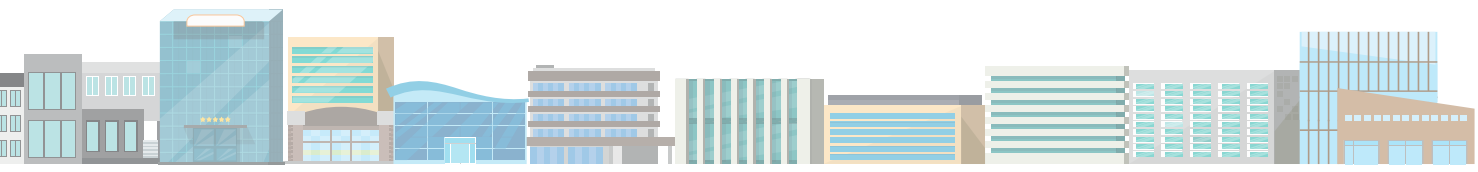
- ☑ Diversified portfolio of scale with strong island-wide coverage of the Enlarged Trust across 56 properties in Singapore.
- ☑ Enhanced scale of portfolio provides greater operating leverage for the combined platform.
- ☑ Enhanced diversification with expansion into new segments – General Industrial and High Specs Industrial.
- ☑ 100% unencumbered asset base provides better access to capital and more competitive cost of debt.

Total Assets[1]
(S$bn)



	VIVA iTRUST	Enlarged Trust
Unencumbered Assets[1]	8%	100%
Gearing[2]	39.8%	38.9%
Weighted Average Debt Tenor[3]	1.7 years	2.4 years

(1) As at 31 March 2018.
(2) As at 31 December 2017.
(3) As at the effective date of the Scheme and assuming that the Scheme becomes effective in October 2018.



5 What are the opinions of VIT IFA?

Extracts of the opinions of the independent financial adviser to the VIT Independent Directors and the VI-REIT Trustee in the VIT IFA Letter (Scheme), VIT IFA Letter (VIT Facilitation Fee) and VIT IFA Letter (VI-REIT Manager Transaction) are set out below:

☑ VIT IFA Opinion on the Scheme

"Having carefully considered the information available to us and our analysis set out above, we are of the view that the Scheme is fair and reasonable from a financial point of view."

☑ VIT IFA Opinion on the VIT Facilitation Fee Amendments

"Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the VIT Facilitation Fee Amendments are on normal commercial terms and are not prejudicial to VIT and its minority Stapled Securityholders"

☑ VIT IFA Opinion on the VI-REIT Manager Transaction

"Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the VI-REIT Manager Transaction is not priced at a level higher than the fair market value of the VI-REIT Manager."

IT IS IMPORTANT THAT YOU READ THESE EXTRACTS TOGETHER WITH AND IN THE CONTEXT OF THE VIT IFA LETTER (SCHEME), VIT IFA LETTER (VIT FACILITATION FEE), AND VIT IFA LETTER (VI-REIT MANAGER TRANSACTION) WHICH CAN BE FOUND IN APPENDIX A, APPENDIX B AND APPENDIX C TO THIS SCHEME DOCUMENT RESPECTIVELY. YOU ARE ADVISED AGAINST RELYING SOLELY ON THESE EXTRACTS.



6 What does the Board recommend?

Extracts of the recommendations by the VIT Independent Directors (Scheme) and the VIT Independent Directors (VIT Facilitation Fee) are set out below:

☑ Recommendation by the VIT Independent Directors (Scheme and VIT Trust Scheme Amendments)

"The VIT Independent Directors (Scheme), having considered carefully the terms of the Scheme and the advice given by the VIT IFA in the VIT IFA Letter (Scheme), recommend that Stapled Securityholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.

Having regard to the above and the rationale for the VIT Trust Scheme Amendments as set out in Paragraph 3 of the Letter to Stapled Securityholders, the VIT Managers are of the opinion that the VIT Trust Scheme Amendments would be beneficial to, and be in the interests of VIT.

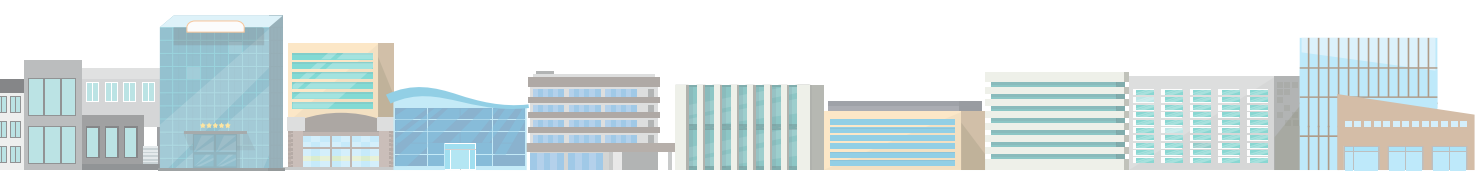
Accordingly, the VIT Managers recommend that Stapled Securityholders **VOTE IN FAVOUR** of Resolution 1 (in respect of the VIT Trust Scheme Amendments) at the Extraordinary General Meeting."

☑ Recommendation by the VIT Independent Directors (VIT Facilitation Fee)

"The Audit and Risk Committee of the VIT Managers (being Mr. Richard Teo Cheng Hiang, Dr. Choong Chow Siong and Mr. Ronald Lim Cheng Aun), having considered carefully the rationale for the VIT Facilitation Fee Amendments as set out in Paragraph 4 of the Letter to Stapled Securityholders and the advice given by the VIT IFA in the VIT IFA Letter (VIT Facilitation Fee), believe that the proposed VIT Facilitation Fee Amendments are based on normal commercial terms and would not be prejudicial to the interests of VIT and its non-interested Stapled Securityholders.

Having considered the rationale for the VIT Facilitation Fee Amendments, the advice given by the VIT IFA in the VIT IFA Letter (VIT Facilitation Fee), and the views of the Audit and Risk Committee of the VIT Managers, the VIT Independent Directors (VIT Facilitation Fee) recommend that Stapled Securityholders **VOTE IN FAVOUR** of Resolution 2 (in respect of the VIT Facilitation Fee Amendments) at the Extraordinary General Meeting."

IT IS IMPORTANT THAT YOU READ THESE EXTRACTS TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO STAPLED SECURITYHOLDERS, WHICH CAN BE FOUND IN PAGES 20 TO 74 OF THIS SCHEME DOCUMENT. YOU ARE ADVISED AGAINST RELYING SOLELY ON THESE EXTRACTS.



7 What are the next steps?

1 EGM

VIT will first seek the approval of the Stapled Securityholders for two resolutions to amend the trust deeds of VIT at an EGM to be convened as follows:

31 AUGUST 2018

Details of the EGM

2.30 p.m.
Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre,
One Marina Boulevard, Singapore 018989

The EGM Resolutions	Approval Threshold
Resolution 1: To approve the VIT Trust Scheme Amendments to facilitate the implementation of the Scheme[1]	75% or more of the total number of votes cast for and against such resolution
Resolution 2: To approve the VIT Facilitation Fee Amendments[2]	75% or more of the total number of votes cast for and against such resolution

2 SCHEME MEETING

After both resolutions at the EGM have been tabled and put to a vote and subject to the passing of Resolution 1, VIT will seek the approval of the Stapled Securityholders for the Scheme Resolution at the Scheme Meeting to be convened immediately after the EGM as follows:

31 AUGUST 2018

Details of the Scheme Meeting

4.00 p.m.
or as soon thereafter following the conclusion or adjournment of the EGM to be held, whichever is later
Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre,
One Marina Boulevard, Singapore 018989

The Scheme Resolution	Approval Threshold
To approve the proposed Scheme	More than 50% of the Stapled Securityholders present and voting either in person or by proxy; **and** 75% or more of the total number of votes cast for and against such resolution

Certain Stapled Securityholders have provided irrevocable undertakings to vote in favour of the VIT Trust Scheme Amendments and the Scheme, representing in aggregate approximately 5.78% of the total number of Stapled Securities.

(1) Please refer to Part 1 of Appendix F to this Scheme Document.
(2) Please refer to Part 2 of Appendix F to this Scheme Document. Subject to a Trust Scheme coming into effect on its effective date in accordance with its terms, the VI-REIT Manager shall be entitled to receive for its own account, out of the Deposited Property, a fee at the rate of 0.25% of the aggregate Scheme Consideration to be paid to the Stapled Securityholders pursuant to the Trust Scheme. Please refer to Part 2 of Appendix F to this Scheme Document.



8 How do I vote for the EGM?

The EGM and the Scheme Meeting are 2 different meetings of the Stapled Securityholders to be held on the same day. Each meeting has a separate proxy form, with different instructions and different approval thresholds. If you wish to appoint a proxy for both the EGM and the Scheme Meeting, you are required to submit both proxy forms.

It is important that you read the instructions for the 2 meetings carefully.



Receive Scheme Document



Attend EGM in person to cast your vote



If you are unable to attend the EGM, appoint a proxy to vote on your behalf at the EGM using the EGM Proxy Form (green-coloured proxy form)

Possible outcomes of the EGM



1. **Stapled Securityholders vote FOR both resolutions**

   A Scheme Meeting to seek the approval of the Stapled Securityholders for the Scheme Resolution will be convened.

   The VIT Trust Deeds will be amended to reflect both the VIT Trust Scheme Amendments and the VIT Facilitation Fee Amendments, whether or not the Scheme is approved.



2. **Stapled Securityholders vote FOR the VIT Trust Scheme Amendments and AGAINST the VIT Facilitation Fee Amendments**

   A Scheme Meeting to seek the approval of the Stapled Securityholders for the Scheme Resolution will be convened.

   The VIT Trust Deeds will be amended to reflect the VIT Trust Scheme Amendments only, whether or not the Scheme is approved.



3. **Stapled Securityholders vote AGAINST the VIT Trust Scheme Amendments and FOR the VIT Facilitation Fee Amendments**

   The Scheme Meeting will NOT be convened.

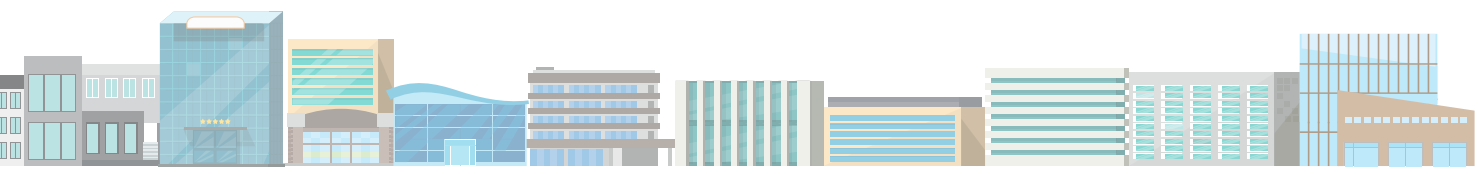
   The VI-REIT Trust Deed will be amended to reflect the VIT Facilitation Fee Amendments only, notwithstanding that the Scheme Meeting will not be convened.



4. **Stapled Securityholders vote AGAINST both resolutions**

   The Scheme Meeting will NOT be convened.

   There will be no amendments to the VIT Trust Deeds.



9 What should I do if I am unable to attend the EGM?

If you are unable to attend the EGM in person, you may appoint someone you know, or the Chairman of the EGM, to vote on your behalf by completing the EGM Proxy Form.

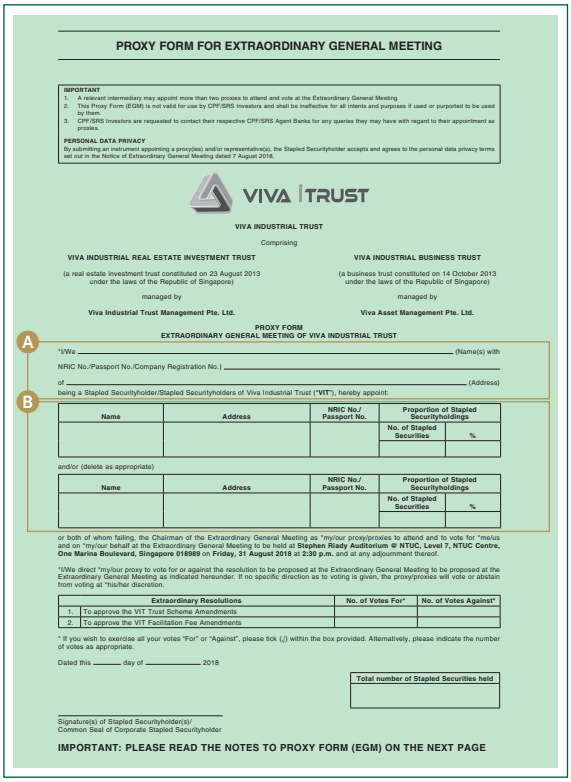
1. Locate the EGM Proxy Form (green-coloured proxy form)

The EGM Proxy Form is enclosed in this Scheme Document, and can also be obtained from:

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, Singapore Land Tower, #32-01
Singapore 048623

Operating hours: Monday to Friday, 8.30 a.m. to 5.30 p.m.

2. Complete the EGM Proxy Form



PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

IMPORTANT
1. A relevant intermediary may appoint more than two proxies to attend and vote at the Extraordinary General Meeting.
2. This Proxy Form (EGM) is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors are requested to contact their respective CPF/SRS Agent Banks for any queries they may have with regard to their appointment as proxies.

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) and/or representative(s), the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 7 August 2018.

VIVA TRUST

VIVA INDUSTRIAL TRUST
Comprising
VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST (a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) managed by Viva Industrial Trust Management Pte. Ltd.
VIVA INDUSTRIAL BUSINESS TRUST (a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore) managed by Viva Asset Management Pte. Ltd.

PROXY FORM
EXTRAORDINARY GENERAL MEETING OF VIVA INDUSTRIAL TRUST

A *I/We _____ (Name(s) with
NRIC No./Passport No./Company Registration No.) _____
of _____ (Address)
being a Stapled Securityholder/Stapled Securityholders of Viva Industrial Trust ("**VIT**"), hereby appoint:

B

Name	Address	NRIC No./ Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

and/or (delete as appropriate)

Name	Address	NRIC No./ Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

or both of whom failing, the Chairman of the Extraordinary General Meeting as *my/our proxy/proxies to attend and to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting to be held at **Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989** on **Friday, 31 August 2018** at **2:30 p.m.** and at any adjournment thereof.

*I/We direct *my/our proxy to vote for or against the resolution to be proposed at the Extraordinary General Meeting to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her discretion.

	Extraordinary Resolutions	No. of Votes For*	No. of Votes Against*
1.	To approve the VIT Trust Scheme Amendments		
2.	To approve the VIT Facilitation Fee Amendments		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

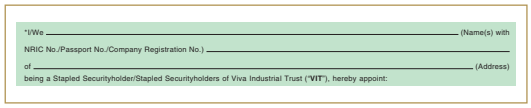
Dated this ____ day of _____ 2018

Total number of Stapled Securities held

Signature(s) of Stapled Securityholder(s)/
Common Seal of Corporate Stapled Securityholder

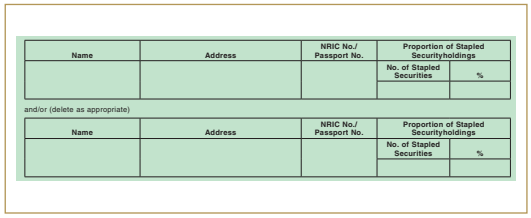
IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM (EGM) ON THE NEXT PAGE

A Fill in your name and particulars.



*I/We _____ (Name(s) with
NRIC No./Passport No./Company Registration No.) _____
of _____ (Address)
being a Stapled Securityholder/Stapled Securityholders of Viva Industrial Trust ("**VIT**"), hereby appoint:

B You may fill in the details of the appointee or leave this section blank. The Chairman of the Extraordinary General Meeting will be the appointee if this section is left blank.



Name	Address	NRIC No./ Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

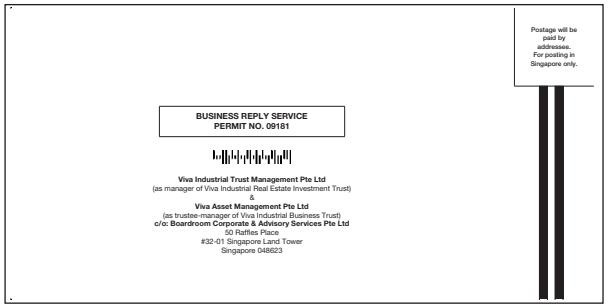
and/or (delete as appropriate)

Name	Address	NRIC No./ Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

9 What should I do if I am unable to attend the EGM?

3. Return the completed EGM Proxy Form

Return the completed and signed Proxy Form in the endorsed pre-addressed envelope so that it arrives at Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, by **NO LATER THAN 2.30 p.m. on 29 August 2018, Wednesday**. The envelope is prepared for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.



10 How do I vote for the Scheme?

The EGM and the Scheme Meeting are 2 different meetings of the Stapled Securityholders to be held on the same day. Each meeting has a separate proxy form, with different instructions and different approval thresholds. If you wish to appoint a proxy for both the EGM and the Scheme Meeting, you are required to submit both proxy forms.

It is important that you read the instructions for the 2 meetings carefully.



Receive Scheme Document



Attend Scheme Meeting in person to cast your vote



If you are unable to attend the Scheme Meeting, appoint a proxy to vote on your behalf at the Scheme Meeting using the Scheme Meeting Proxy Form (pink-coloured proxy form)

Resolution 1 on the VIT Trust Scheme Amendments is passed

Possible outcomes of the Scheme Meeting



1. **Stapled Securityholders vote for the Scheme AND the Scheme is approved by the Court**

   You will receive S$9.60 and 160 new ESR-REIT Units for every 100 Stapled Securities that you hold on an ex-distribution basis.



2. **Stapled Securityholders vote against the Scheme OR the Scheme is not approved by the Court**

   You will NOT receive any payment or new ESR-REIT Units for your Stapled Securities. You will continue to be a Stapled Securityholder of VIT. VIT will remain listed on the SGX-ST.



11 What should I do if I am unable to attend the Scheme Meeting?

If you are unable to attend the Scheme Meeting in person, you may appoint someone you know, or the Chairman of the Scheme Meeting, to vote on your behalf by completing the Scheme Meeting proxy form.

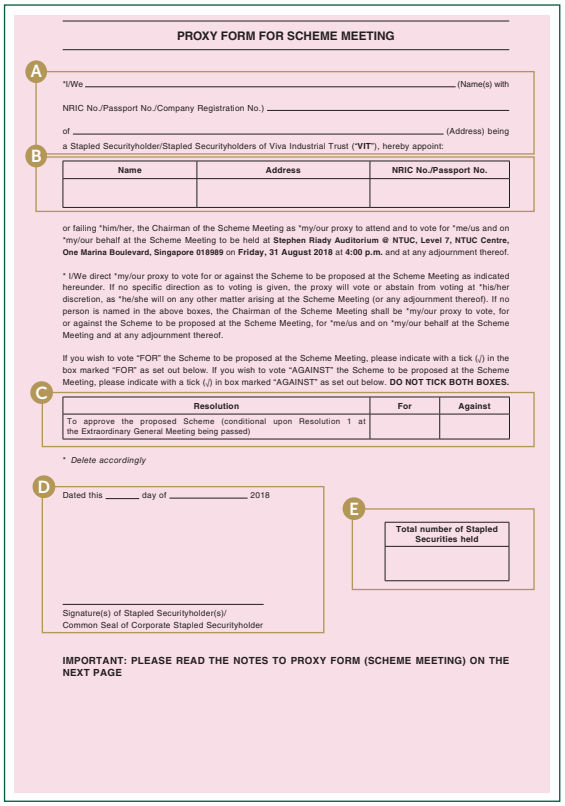
1. Locate the Scheme Meeting Proxy Form (pink-coloured proxy form)

The Scheme Meeting Proxy Form is enclosed in this Scheme Document, and can also be obtained from:

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, Singapore Land Tower, #32-01
Singapore 048623

Operating hours: Monday to Friday, 8.30 a.m. to 5.30 p.m.

2. Complete the Scheme Meeting Proxy Form



PROXY FORM FOR SCHEME MEETING

A *I/We _____ (Name(s) with

NRIC No./Passport No./Company Registration No.) _____

of _____ (Address) being

a Stapled Securityholder/Stapled Securityholders of Viva Industrial Trust ("**VIT**"), hereby appoint:

B

Name	Address	NRIC No./Passport No.

or failing *him/her, the Chairman of the Scheme Meeting as *my/our proxy to attend and to vote for *me/us and on *my/our behalf at the Scheme Meeting to be held at **Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989** on **Friday, 31 August 2018** at **4:00 p.m.** and at any adjournment thereof.

* I/We direct *my/our proxy to vote for or against the Scheme to be proposed at the Scheme 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 will on any other matter arising at the Scheme Meeting (or any adjournment thereof). If no person is named in the above boxes, the Chairman of the Scheme Meeting shall be *my/our proxy to vote, for or against the Scheme to be proposed at the Scheme Meeting, for *me/us and on *my/our behalf at the Scheme Meeting and at any adjournment thereof.

If you wish to vote "FOR" the Scheme to be proposed at the Scheme Meeting, please indicate with a tick (√) in the box marked "FOR" as set out below. If you wish to vote "AGAINST" the Scheme to be proposed at the Scheme Meeting, please indicate with a tick (√) in box marked "AGAINST" as set out below. **DO NOT TICK BOTH BOXES.**

C

Resolution	For	Against
To approve the proposed Scheme (conditional upon Resolution 1 at the Extraordinary General Meeting being passed)		

* *Delete accordingly*

D Dated this _____ day of _____ 2018

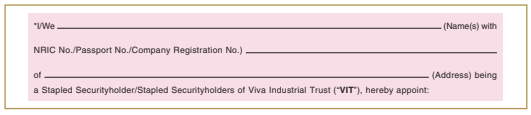
_____
Signature(s) of Stapled Securityholder(s)/
Common Seal of Corporate Stapled Securityholder

E

Total number of Stapled Securities held

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM (SCHEME MEETING) ON THE NEXT PAGE

A Fill in your name and particulars.



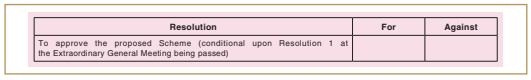
*I/We _____ (Name(s) with
NRIC No./Passport No./Company Registration No.) _____
of _____ (Address) being
a Stapled Securityholder/Stapled Securityholders of Viva Industrial Trust ("**VIT**"), hereby appoint:

B You may fill in the details of the appointee or leave this section blank. The Chairman of the Scheme Meeting will be the appointee if this section is left blank.



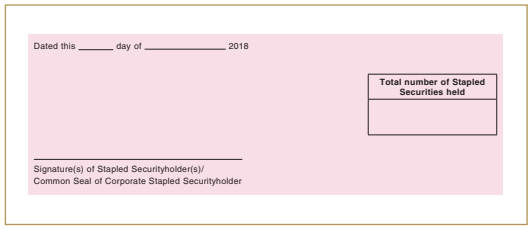
Name	Address	NRIC No./Passport No.

C Indicate your vote in the box labeled **FOR** or **AGAINST**.



Resolution	For	Against
To approve the proposed Scheme (conditional upon Resolution 1 at the Extraordinary General Meeting being passed)		

D If you are an individual, you or your attorney **MUST SIGN** and indicate the date. If you are a corporation, the Scheme Meeting Proxy Form must be executed under your common seal or signed by a duly authorised officer or attorney.



Dated this _____ day of _____ 2018

Total number of Stapled Securities held

_____
Signature(s) of Stapled Securityholder(s)/
Common Seal of Corporate Stapled Securityholder

E Indicate the number of Stapled Securities you hold.

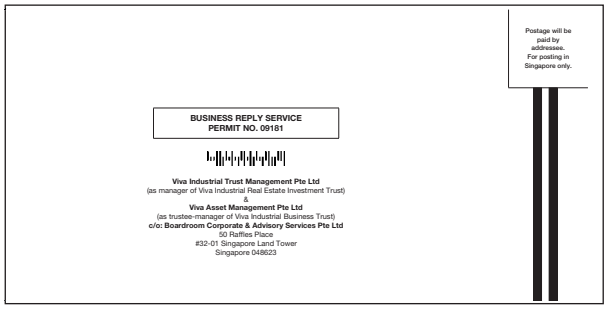


Total number of Stapled Securities held

11 What should I do if I am unable to attend the Scheme Meeting?

3. Return the completed Scheme Meeting Proxy Form

Return the completed and signed Proxy Form in the endorsed pre-addressed envelope so that it arrives at Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, by **NO LATER THAN 4.00 p.m. on 29 August 2018, Wednesday**. The envelope is prepared for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.



REMINDER!

Stapled Securityholders who are unable to attend the EGM and the Scheme Meeting are requested to complete both the enclosed EGM Proxy Form and the Scheme Meeting Proxy Form and lodge them with Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower by NO LATER THAN 2.30 p.m. on 29 August 2018, Wednesday.

Important Information

How do I find out the number of Stapled Securities I own?

A) You can check your Stapled Securityholding balance with CDP by contacting them at:

The Central Depository
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Tel: +65 6535 7511
Fax: +65 6535 0775

Opening hours:
Monday to Friday: 8.30 a.m. to 5.00 p.m.
Saturday: 9.00 a.m. to 12.30 p.m.
Closed on Sundays & Public Holidays

B) If you own Stapled Securities through a bank, broker or any other intermediaries, you can also check by contacting them directly.

C) If you are a CPFIS Investor or SRS Investor, please consult your CPF Agent Bank or SRS Agent Bank (namely DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited) for further information.

Important dates and times

EGM	
Last date and time for EGM Proxy Form to be received	29 August 2018 at 2.30 p.m.
Date and time of EGM	31 August 2018 at 2.30 p.m.
Venue of EGM	Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989
SCHEME MEETING	
Last date and time for Scheme Meeting Proxy Form to be received	29 August 2018 at 4.00 p.m.
Date and time of Scheme Meeting	31 August 2018 at 4.00 p.m. or as soon thereafter following the conclusion or adjournment of the EGM to be held, whichever is later
Venue of Scheme Meeting	Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989
Expected Effective Date	3 October 2018
Expected date for allotment and issue of new ESR-REIT Units	4 October 2018
Expected date for the delisting of the Stapled Securities	8 October 2018

The important dates, times and place relating to the Scheme Meeting and the expected timetable are set out on page 16 of this Scheme Document. Your attention is also drawn to the notes under the expected timetable.

Who to contact if you need help

Sole Financial Adviser to the VIT Managers
BofA Merrill Lynch
Global Investment Banking
Telephone: +65 6678 0086

Public Relations Advisers
Newgate Communications
Terence Foo
Email: terence.foo@newgatecomms.com.sg
Telephone: +65 6532 0606

Ark Advisors Pte. Ltd.
Alvina Tan
Email: alvina.tan@arkadvisors.com.sg
Telephone: +65 6221 0081

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

Stapled Securityholders are advised to be cautious when dealing in their Stapled Securities and not to take any action in relation to their Stapled Securities which may not prove to be in their best interests.

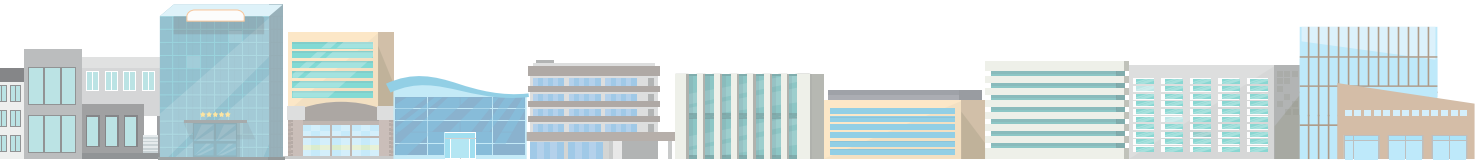


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DEFINITIONS

In this Scheme Document, the following definitions shall apply throughout unless the context otherwise requires:

"**1Q2018**"	:	The three months ended 31 March 2018
"**AEI**"	:	Asset enhancement initiative
"**Books Closure Date**"	:	The books closure date and time to be announced (before the Effective Date) by the VIT Managers on which the transfer books and the Register of Stapled Securityholders will be closed in order to determine the entitlements of the Stapled Securityholders in respect of the Scheme
"**Break Fee**"	:	Has the meaning ascribed to it in Paragraph 2.5(c)(i) of the Letter to Stapled Securityholders
"**Business Day**"	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
"**Business Trusts Act**"	:	Business Trusts Act (Chapter 31A of Singapore)
"**Cash Consideration**"	:	S$0.096 in cash per Stapled Security
"**CDP**"	:	The Central Depository (Pte) Limited
"**Claim Date**"	:	Such date falling six months after the date of termination of the Implementation Agreement
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	Companies Act (Chapter 50 of Singapore)
"**Consideration Units**"	:	New ESR-REIT Units to be allotted and issued by the ESR-REIT Manager to Entitled Stapled Securityholders pursuant to the Scheme
"**Court**"	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPFIS**"	:	CPF Investment Scheme
"**CPFIS Investors**"	:	Investors who purchased Stapled Securities using their CPF savings under the CPFIS
"**Deposited Property**"	:	All the assets of VIT

"**DPU**"	:	Distribution per unit
"**Effective Date**"	:	The date on which the Scheme becomes effective in accordance with its terms, and which date shall, in any event, be no later than the Long-Stop Date
"**Encumbrances**"	:	Any 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 Trust**"	:	The enlarged ESR-REIT Group, with VIT as a sub-trust of ESR-REIT, following the completion of the Merger and the Scheme
"**Entitled Stapled Securityholders**"	:	Stapled Securityholders as at 5.00 p.m. on the Books Closure Date
"**ESR Group**"	:	ESR Cayman Limited and its subsidiaries
"**ESR-REIT Announced Transaction**"	:	The proposed acquisition of 15 Greenwich Drive Singapore 534022 (together with the mechanical and electrical equipment) by the ESR-REIT Trustee announced on SGXNET on 24 April 2018
"**ESR-REIT Circular**"	:	The circular dated 7 August 2018 issued by the ESR Manager, on behalf of ESR-REIT, convening an extraordinary general meeting to seek the ESR-REIT Unitholders' Approval
"**ESR-REIT Competing Proposal**"	:	(1) Any general offer or trust scheme for the ESR-REIT Units; (2) any proposal for an acquisition of ESR-REIT or other business combination, merger, amalgamation or similar transaction involving ESR-REIT with any other entity; (3) save for the ESR-REIT Announced Transaction, any proposal for a sale of any ESR-REIT Units and/or assets of ESR-REIT; (4) any proposal for a sale of the ESR-REIT Manager's shares and/or assets; or (5) save for the Manager Arrangements (and due diligence investigations in connection thereto), the ESR-REIT Announced Transaction and any other transaction contemplated in the Implementation Agreement, any other transaction (including allowing any third party to perform due diligence investigations on the ESR-REIT Manager and the ESR-REIT Group) which would preclude, interfere with, restrict, delay or prejudice the Scheme

"**ESR-REIT Convertible Securities**"	:	Convertible securities, warrants, options and derivatives in respect of the ESR-REIT Units or other securities (if any) which carry voting rights in ESR-REIT
"**ESR-REIT Financial Advisers**"	:	Collectively, Citigroup Global Markets Singapore Pte. Ltd., RHB and UOB, the financial advisers of the ESR-REIT Manager in respect of the Merger and the Scheme
"**ESR-REIT Group**"	:	ESR-REIT and its subsidiaries
"**ESR-REIT Manager**"	:	ESR Funds Management (S) Limited, as manager of ESR-REIT
"**ESR-REIT Manager Concert Party Group**"	:	ESR-REIT Manager and parties acting in concert with the ESR-REIT Manager in connection with the Merger
"**ESR-REIT Permitted Distributions**"	:	The distributions declared, paid or made by the ESR-REIT Manager to the ESR-REIT Unitholders (a) in the ordinary course of business in respect of the period from 1 January 2018 to the Effective Date; and (b) in respect of tax refunds (if any) received by ESR-REIT prior to the Effective Date from the Inland Revenue Authority of Singapore in relation to taxes previously paid. For the avoidance of doubt, "**ESR-REIT Permitted Distributions**" shall not include distributions declared, paid or made by ESR-REIT Manager to the ESR-REIT Unitholders in respect of proceeds received in connection with the sale of any of the real properties owned by ESR-REIT
"**ESR-REIT Trust Deed**"	:	The deed of trust dated 31 March 2006 constituting ESR-REIT entered into between the ESR-REIT Manager and the ESR-REIT Trustee, as supplemented and amended by a first supplemental deed dated 15 August 2007, a second supplemental deed dated 28 January 2009, a third supplemental deed dated 13 November 2009, a fourth supplemental deed dated 27 January 2010, a fifth supplemental deed dated 22 April 2010, a sixth supplemental deed dated 2 February 2012, a seventh supplemental deed dated 18 November 2014, an eighth supplemental deed dated 27 May 2015, a ninth supplemental deed dated 15 March 2016, a tenth supplemental deed dated 15 March 2017 and an eleventh supplemental deed dated 20 June 2017
"**ESR-REIT Trustee**"	:	RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT

"**ESR-REIT Unitholders**"	:	The registered holder for the time being of an ESR-REIT Unit, including person(s) 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 ESR-REIT Units
"**ESR-REIT Unitholders' Approval**"	:	The approval of the ESR-REIT Unitholders for: (a) the Merger; (b) the issue of new ESR-REIT Units in consideration for the Merger; and (c) the waiver of the requirement for the Tong Group to make a mandatory general offer for ESR-REIT as a result of the increase in its unitholding in ESR-REIT pursuant to the Scheme
"**ESR-REIT Units**"	:	The issued and paid-up units of ESR-REIT
"**ESRIM**"	:	ESR Investment Management Pte. Ltd.
"**Extraordinary General Meeting**"	:	The extraordinary general meeting of the Stapled Securityholders to be convened to approve the VIT Trust Deeds Amendments, notice of which is set out on pages T-1 to T-3 of this Scheme Document
"**Extraordinary Resolution**"	:	A resolution proposed and passed as such by the Stapled Securityholders consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of the Stapled Securityholders
"**FY**"	:	Financial year ended or ending 31 December, as the case may be
"**Gatefold**"	:	The pages preceding the "Contents" section of this Scheme Document
"**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; (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
"**HLGPL**"	:	Ho Lee Group Pte. Ltd.
"**HLGT Trustee**"	:	Perpetual (Asia) Limited, in its capacity as trustee of Ho Lee Group Trust
"**Implementation Agreement**"	:	The implementation agreement dated 18 May 2018 entered into between the ESR-REIT Trustee, the ESR-REIT Manager, the VI-REIT Trustee, the VI-REIT Manager and the VI-BT Trustee-Manager setting out the terms and conditions on which the Scheme will be implemented
"**Initial Announcement**"	:	The initial announcement on 29 January 2018 by the VIT Managers in relation to the receipt of a proposal from the ESR-REIT Manager in relation to the Merger
"**Initial Announcement Date**"	:	29 January 2018, being the date of the Initial Announcement
"**Joint Announcement**"	:	The joint announcement by the VIT Managers and the ESR-REIT Manager dated 18 May 2018 in relation to, *inter alia*, the Merger and the Scheme
"**Joint Announcement Date**"	:	18 May 2018, being the date of the Joint Announcement
"**Latest Practicable Date**"	:	27 July 2018, being the latest practicable date prior to the printing of this Scheme Document
"**Letter to Stapled Securityholders**"	:	The letter from the VIT Managers to the Stapled Securityholders as set out on pages 20 to 74 of this Scheme Document
"**Listing Manual**"	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
"**Long-Stop Date**"	:	1 November 2018, or such other date as the Parties may agree in writing
"**LRE**"	:	Longemont Real Estate Pte. Ltd.
"**LWG**"	:	Leading Wealth Global Inc

"**Manager Arrangements**"	:	The VI-REIT Manager Transaction and SSPL's subscription for a 25.0% stake in the ESR-REIT Manager, as described in Paragraph 2.11 of the Letter to Stapled Securityholders
"**Market Day**"	:	A day on which the SGX-ST is open for the trading of securities
"**MAS**"	:	Monetary Authority of Singapore
"**Maxi**"	:	Maxi Capital Pte. Ltd.
"**Merger**"	:	The proposed merger of ESR-REIT and VIT which will be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of the Scheme in compliance with the Code
"**Mitsui**"	:	Mitsui & Co., Ltd
"**Mr. Ang (CEO)**"	:	Mr. Wilson Ang Poh Seong, Chief Executive Officer and Executive Director of the VIT Managers
"**Mr. Tong**"	:	Mr. Tong Jinquan, Non-Executive Director of the VI-REIT Manager
"**NAV**"	:	Net asset value
"**Offeror's Letter**"	:	The letter from the ESR-REIT Manager to Stapled Securityholders as set out in Appendix D to this Scheme Document
"**Overseas Stapled Securityholders**"	:	Stapled Securityholders whose registered addresses (as recorded in the Register of Stapled Securityholders or in the records maintained by CDP for the service of notice and documents) are outside Singapore
"**Parties**"	:	The parties to the Implementation Agreement, being the ESR-REIT Trustee, the ESR-REIT Manager, the VI-REIT Trustee, the VI-REIT Manager and the VI-BT Trustee-Manager
"**PCOA**"	:	The put and call option agreement dated 1 August 2018 entered into between, *inter alia*, VIM and the ESR-REIT Manager for the ESR-REIT Manager (as purchaser) to acquire all of the VI-REIT Manager Sale Shares held by VIM (as vendor)
"**PCOA Completion Date**"	:	Date of the delisting of VIT from the SGX-ST (or such other date as the Parties may mutually agree in writing)
"**Prescribed Occurrence**"	:	Has the meaning ascribed to it in Appendix O to this Scheme Document

"**Proxy Form (EGM)**"	:	The accompanying proxy form for the Extraordinary General Meeting
"**Proxy Form (Scheme Meeting)**"	:	The accompanying proxy form for the Scheme Meeting
"**Record Date**"	:	The date falling on the Business Day immediately preceding the Effective Date
"**Register of Stapled Securityholders**"	:	The register of stapled securityholders of VIT
"**relevant intermediary**"	:	(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA who holds Stapled Securities in that capacity; or (c) the CPF Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation
"**Relevant Stapled Securities**"	:	Has the meaning ascribed to it in Paragraph 5.1(a) of the Letter to Stapled Securityholders
"**Resolution 1**"	:	Has the meaning ascribed to it in Paragraph 1.4(a)(i) of the Letter to Stapled Securityholders
"**Resolution 2**"	:	Has the meaning ascribed to it in Paragraph 1.4(a)(ii) of the Letter to Stapled Securityholders
"**Reverse Break Fee**"	:	Has the meaning ascribed to it in Paragraph 2.5(d)(i) of the Letter to Stapled Securityholders
"**RHB**"	:	RHB Securities Singapore Pte. Ltd.
"**Rules of Court**"	:	Rules of Court (Chapter 322, R 5 of Singapore)

"**Scheme**"	:	The trust scheme of arrangement as set out on pages V-1 to V-12 of this Scheme Document (as may be amended or modified from time to time)
"**Scheme Conditions**"	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Long-Stop Date for the Scheme to be implemented and which are reproduced in Appendix N to this Scheme Document
"**Scheme Consideration**"	:	S$0.96 per Stapled Security held by each of the Stapled Securityholders as at the Books Closure Date, which shall be satisfied by the manner set out in Paragraph 2.3(a)(ii) of the Letter to Stapled Securityholders
"**Scheme Court Order**"	:	The order of the Court sanctioning the Scheme under Order 80 of the Rules of Court
"**Scheme Document**"	:	This document dated 7 August 2018 and any other document(s) which may be issued by or on behalf of the VIT Managers to amend, revise, supplement or update the document(s) from time to time
"**Scheme Meeting**"	:	The meeting of the Stapled Securityholders to be convened to approve the Scheme, notice of which is set out on pages W-1 to W-4 of this Scheme Document, and any adjournment thereof
"**Scheme Meeting Court Order**"	:	Has the meaning ascribed to it in Paragraph 10.2 of the Letter to Stapled Securityholders
"**Scheme Resolution**"	:	Has the meaning ascribed to it in Paragraph 1.4(b) of the Letter to Stapled Securityholders
"**Securities Account**"	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
"**S-REIT**"	:	Has the meaning ascribed to it in Paragraph 2.2(a)(iii) of the Letter to Stapled Securityholders
"**SFA**"	:	Securities and Futures Act (Chapter 289 of Singapore)
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SIC**"	:	Securities Industry Council of Singapore

"**SRS**"	:	Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent Banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Stapled Securities using their SRS contributions pursuant to the SRS
"**SSG**"	:	Shanghai Summit (Group) Co., Ltd.
"**SSPL**"	:	Shanghai Summit Pte. Ltd.
"**Stapled Securities**"	:	The issued and paid-up stapled securities of VIT
"**Stapled Securityholder**"	:	The registered holder for the time being of a Stapled Security, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Stapled Securityholder" shall, in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Stapled Securities
"**Stapling Deed**"	:	The stapling deed dated 14 October 2013 stapling the VI-REIT units and VI-BT units to form the Stapled Securities
"**Supplemental Trust Deeds**"	:	Supplemental trust deeds to amend the VIT Trust Deeds to include the VIT Trust Deeds Amendments to facilitate the implementation of the Scheme
"**S$" or "SGD" and cents**	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"**Stapled Security Registrar**"	:	Boardroom Corporate & Advisory Services Pte. Ltd., the Stapled Security registrar of VIT
"**Taxation Authority**"	:	The Inland Revenue Authority of Singapore and any other governmental or other authority whatsoever competent to impose any Taxes whether in Singapore or elsewhere

"**Taxes**" **or** "**Taxation**"	:	All forms of taxation whether of Singapore or elsewhere including all state or local taxation, past, present and deferred (including without limitation, income tax (including net income and gross income), corporate, value added, goods and services, occupation, real and personal property, social security, gross receipts, sales, use, ad valorem, franchise, profits, licence, withholding, payroll, employment, excise, severance, occupation, premium or windfall profit taxes, estate duty, stamp duty, customs and other import or export duties), or charges of any kind whatsoever, estimated and other taxes, together with any interest and levies and all penalties, charges, costs and additions to tax, payable by or due from each member of the VIT Group or ESR-REIT Group (as applicable) or any additional amounts imposed by any government, Governmental Authority, statutory body or any revenue authority, upon a member of the VIT Group or ESR-REIT Group (as applicable)
"**Tong Group**"	:	LWG, LRE, SSG, SSPL, Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd, Mr. Tong and Mr. Tong Yu Lou
"**Undertaking Stapled Securityholders**"	:	The Stapled Securityholders providing the VIT Deeds of Undertaking as set out in Paragraph 5.1 of the Letter to Stapled Securityholders
"**UOB**"	:	United Overseas Bank Limited
"**VI-BT**"	:	Viva Industrial Business Trust
"**VI-BT Trust Deed**"	:	The trust deed dated 14 October 2013 constituting VI-BT
"**VI-BT Trustee-Manager**"	:	Viva Asset Management Pte. Ltd., as trustee-manager of VI-BT
"**VI-Property Manager**"	:	Viva Real Estate Asset Management Pte. Ltd., the property manager of VI-REIT
"**VI-REIT**"	:	Viva Industrial Real Estate Investment Trust
"**VI-REIT Manager**"	:	Viva Industrial Trust Management Pte. Ltd., as manager of VI-REIT
"**VI-REIT Manager Sale Shares**"	:	The ordinary shares in the capital of the VI-REIT Manager, representing 100% of the issued and paid-up share capital of the VI-REIT Manager
"**VI-REIT Manager Transaction**"	:	The acquisition by the ESR-REIT Manager for all of the VI-REIT Manager Sale Shares pursuant to the PCOA

"**VI-REIT Trust Deed**"	:	The first amended and restated trust deed dated 14 October 2013 amending and restating the trust deed dated 23 August 2013 constituting VI-REIT
"**VI-REIT Trustee**"	:	Perpetual (Asia) Limited, in its capacity as trustee of VI-REIT
"**VIM**"	:	Viva Investment Management Pte. Ltd.
"**VIT**"	:	Viva Industrial Trust
"**VIT Competing Proposal**"	:	(1) Any general offer or trust scheme for the Stapled Securities of VIT; (2) any proposal for an acquisition of VIT or other business combination, merger, amalgamation or similar transaction involving VIT with any other entity; (3) any proposal for a sale of any Stapled Securities and/or assets of VIT; (4) save for the Manager Arrangements, any proposal for a sale of any of the VIT Managers' shares and/or assets; or (5) save for the Manager Arrangements (and due diligence investigations in connection thereto) and any other transaction contemplated in the Implementation Agreement, any other transaction (including allowing any third party to perform due diligence investigations on the VIT Managers and/or VIT) which would preclude, interfere with, restrict, delay or prejudice the Scheme
"**VIT Convertible Securities**"	:	Convertible securities, warrants, options and derivatives in respect of the Stapled Securities or other securities (if any) which carry voting rights in VIT
"**VIT Deeds of Undertaking**"	:	The irrevocable undertakings provided by the Undertaking Stapled Securityholders in favour of the ESR-REIT Manager to, *inter alia*, vote or procure the voting of all of their respective Stapled Securities in favour of the VIT Trust Scheme Amendments, the Scheme and any other matter necessary or proposed to implement the Scheme at the Extraordinary General Meeting and the Scheme Meeting, as more particularly described in Paragraph 5.1 of the Letter to Stapled Securityholders
"**VIT Facilitation Fee**"	:	The facilitation fee of 0.25% of the Scheme Consideration payable to the VI-REIT Manager in recognition of the services that the VI-REIT Manager renders to VIT in connection with the Merger and the Scheme
"**VIT Facilitation Fee Amendments**"	:	The amendments to the VI-REIT Trust Deed to provide for the VIT Facilitation Fee as set out in Part 2 of Appendix F to this Scheme Document

"**VIT Financial Adviser**" **or** "**BofA Merrill Lynch**"	:	Merrill Lynch (Singapore) Pte. Ltd.
"**VIT Group**"	:	VIT and its subsidiary
"**VIT IFA**"	:	KPMG Corporate Finance Pte. Ltd., the independent financial adviser to the VIT Independent Directors and the VI-REIT Trustee
"**VIT IFA Letter (Scheme)**"	:	The letter dated 7 August 2018 setting out the advice of the VIT IFA to the VIT Independent Directors (Scheme) and to the VI-REIT Trustee in respect of the Scheme, as set out in Appendix A to this Scheme Document
"**VIT IFA Letter (VIT Facilitation Fee)**"	:	The letter dated 7 August 2018 setting out the advice of the VIT IFA to the VIT Independent Directors (VIT Facilitation Fee) and to the VI-REIT Trustee in respect of the VIT Facilitation Fee Amendments, as set out in Appendix B to this Scheme Document
"**VIT IFA Letter (VI-REIT Manager Transaction)**"	:	The letter dated 7 August 2018 setting out the advice of the VIT IFA to the VIT Independent Directors (Scheme) and to the VI-REIT Trustee in respect of the VI-REIT Manager Transaction, as set out in Appendix C to this Scheme Document
"**VIT Independent Directors**"	:	The VIT Independent Directors (Scheme) and/or the VIT Independent Directors (VIT Facilitation Fee), as the case may be
"**VIT Independent Directors (VIT Facilitation Fee)**"	:	The directors of the VIT Managers who are considered independent for the purposes of making recommendations to the Stapled Securityholders on the VIT Facilitation Fee Amendments, namely all of the directors of the VIT Managers except for Mr. Tong, Mr. Ang (CEO) and Mr. Tan Hai Peng Micheal
"**VIT Independent Directors (Scheme)**"	:	The directors of the VIT Managers who are considered independent for the purposes of making recommendations to the Stapled Securityholders on the Scheme and the VI-REIT Manager Transaction, namely all of the directors of the VIT Managers except for Mr. Tong and Mr. Ang (CEO)
"**VIT Independent Valuer**"	:	Cushman & Wakefield VHS Pte. Ltd.
"**VIT Managers**"	:	The VI-REIT Manager and the VI-BT Trustee-Manager

"**VIT Permitted Distributions**"	:	The distributions declared, paid or made by the VIT Managers to the Stapled Securityholders (a) in the ordinary course of business in respect of the period from 1 January 2018 to the Effective Date; and (b) in respect of tax refunds (if any) received by VIT prior to the Effective Date from the Inland Revenue Authority of Singapore in relation to taxes previously paid For the avoidance of doubt, "**VIT Permitted Distributions**" shall not include distributions declared, paid or made by the VIT Managers to the Stapled Securityholders in respect of proceeds received in connection with the sale of any real properties owned by VIT
"**VIT Trust Deeds**"	:	The VI-REIT Trust Deed, the VI-BT Trust Deed and the Stapling Deed
"**VIT Trust Deeds Amendments**"	:	The VIT Trust Scheme Amendments and the VIT Facilitation Fee Amendments
"**VIT Trust Scheme Amendments**"	:	The amendments to the VIT Trust Deeds to include provisions that will facilitate the implementation of the Scheme as set out in Part 1 of Appendix F to this Scheme Document
"**VIT Valuation Letter**"	:	The letter from the VIT Independent Valuer in respect of the valuation of VIT's properties as set out in Appendix M to this Scheme Document
"**WALE**"	:	Weighted average lease expiry

The terms "**acting in concert**" and "**concert parties**" shall have the meanings ascribed to them in the Code.

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

The terms "**subsidiary**" and "**related corporation**" shall have the meaning ascribed to it in Sections 5 and 6 of the Companies Act.

The headings in this Scheme Document are inserted for convenience only and shall be ignored in construing this Scheme Document.

Words importing the singular only shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or the Code or any modification thereof and used in this Scheme Document shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.

Any reference to a time of day and date in this Scheme Document shall be a reference to Singapore time and date respectively, unless otherwise specified.

Any discrepancies in figures included in this Scheme Document between the listed amounts shown and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in this Scheme Document may not be an arithmetic aggregation of the figures that precede them.

In this Scheme Document, the total number of Stapled Securities as at the Latest Practicable Date is 975,758,607. Unless stated otherwise, all references to percentage stapled securityholding in the capital of VIT in this Scheme Document are based on 975,758,607 Stapled Securities in VIT as at the Latest Practicable Date.

CAUTIONARY NOTES

Forward Looking Statements. All statements other than statements of historical facts included in this Scheme Document 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". These statements reflect the ESR-REIT Manager's or the VIT Managers' (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, the Stapled Securityholders and investors of ESR-REIT and VIT should not place undue reliance on such forward-looking statements, and none of the ESR-REIT Manager, the ESR-REIT Trustee, the VIT Managers, the VI-REIT Trustee, Citigroup Global Markets Singapore Pte. Ltd., RHB, UOB and the VIT Financial Adviser undertakes any obligation to update publicly or revise any forward-looking statements.

Pro Forma Distribution per Stapled Security and Pro Forma NAV per Stapled Security. The calculations for the pro forma distribution per Stapled Security and pro forma NAV per Stapled Security are extracted from the unaudited pro forma consolidated financial information of the Enlarged Trust as set out in Appendix L to this Scheme Document. The unaudited pro forma consolidated financial information of the Enlarged Trust, including the pro forma distribution per Stapled Security and pro forma NAV per Stapled Security, is not intended to be a forecast and is for illustrative purposes only and calculated on the basis of the assumptions and accounting policies set out in the unaudited pro forma consolidated financial information of the Enlarged Trust as set out in Appendix L to this Scheme Document and may not give a true picture of the actual total returns and financial position of VIT and/or the Enlarged Trust. The pro forma distribution per Stapled Security and pro forma NAV per Stapled Security should be read together with the assumptions and accounting policies, based on which the pro forma distribution per Stapled Security and pro forma NAV per Stapled Security were derived.

No representation, warranty or covenant, express or implied, is made by the VIT Managers, the VI-REIT Trustee, or the VIT Financial Adviser or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information relating to the pro forma distribution per Stapled Security and pro forma NAV per Stapled Security contained in this Scheme Document and nothing contained in this Scheme Document is or should be relied upon as a promise, representation or covenant by any of the aforementioned persons.

EXTRAORDINARY GENERAL MEETING

Last date and time for lodgement of Proxy Form (EGM)	:	**29 August 2018, 2.30 p.m.**[1][2]
Date and time of Extraordinary General Meeting	:	**31 August 2018, 2.30 p.m.**
Place of Extraordinary General Meeting	:	**Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989**

SCHEME MEETING[3]

Last date and time for lodgement of Proxy Form (Scheme Meeting)	:	**29 August 2018, 4.00 p.m.**[1][2]
Date and time of Scheme Meeting	:	**31 August 2018, 4.00 p.m.** (or as soon thereafter following the conclusion or adjournment of the Extraordinary General Meeting to be held, whichever is later)
Place of Scheme Meeting	:	**Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989**
Expected date of Court hearing of the application to sanction the Scheme	:	**19 September 2018**[4]
Expected last day of trading of the Stapled Securities	:	**25 September 2018**
Expected Books Closure Date	:	**28 September 2018, 5.00 p.m.**
Expected Record Date	:	**2 October 2018**
Expected Effective Date	:	**3 October 2018**[5]
Expected date for the allotment and issue of the Consideration Units	:	**4 October 2018**
Expected date for the delisting of the Stapled Securities	:	**8 October 2018**

You should note that save for the last date and time for the lodgement of the Proxy Form (EGM) and the lodgement of the Proxy Form (Scheme Meeting) and the date, time and place of each of the Extraordinary General Meeting and the Scheme Meeting, the above timetable

is indicative only and may be subject to change. For the events listed above which are described as "expected", please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Notes:

(1) Stapled Securityholders are requested to lodge both the Proxy Forms for the Extraordinary General Meeting and the Proxy Forms for the Scheme Meeting in accordance with the respective instructions contained therein not less than 48 hours before the time appointed for the Extraordinary General Meeting and the Scheme Meeting (as applicable).

(2) All Proxy Forms for the Extraordinary General Meeting and the Scheme Meeting must be lodged with the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623. Completion and lodgement of a Proxy Form for the Extraordinary General Meeting and/or the Scheme Meeting will not prevent a Stapled Securityholder from attending and voting in person at the Extraordinary General Meeting and/or the Scheme Meeting (as the case may be) if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

(3) The Scheme Meeting will only be convened if Resolution 1 (in respect of the VIT Trust Scheme Amendments) is passed by way of an Extraordinary Resolution at the Extraordinary General Meeting.

(4) The date of the Court hearing of the application to sanction the Scheme will depend on the date that is allocated by the Court.

(5) If each of the Scheme Conditions is satisfied or, as the case may be, has been waived in accordance with the Implementation Agreement, the Scheme will come into effect on the date falling 10 Business Days after the last of the Scheme Conditions set out in Paragraphs (a), (b), (c), (d) and (e) of Appendix N to this Scheme Document have been satisfied (or such other date as may be agreed between the VIT Managers and the ESR-REIT Manager.

CORPORATE INFORMATION

VI-REIT MANAGER	:	Viva Industrial Trust Management Pte. Ltd.
VI-BT TRUSTEE-MANAGER	:	Viva Asset Management Pte. Ltd.
DIRECTORS OF THE VIT MANAGERS	:	Dr. Leong Horn Kee Mr. Richard Teo Cheng Hiang Dr. Choong Chow Siong Mr. Ronald Lim Cheng Aun Mr. Tong Jinquan (Non-Executive Director of the VI-REIT Manager only) Mr. Tan Hai Peng Micheal Mr. Tan Kim Seng Mr. Wilson Ang Poh Seong
COMPANY SECRETARY	:	Ms. Ang Siew Koon
REGISTERED OFFICE OF THE VIT MANAGERS	:	750 Chai Chee Road #04-03 Viva Business Park Singapore 469000
VI-REIT TRUSTEE	:	Perpetual (Asia) Limited 8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
STAPLED SECURITY REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
LEGAL ADVISER TO THE VIT MANAGERS	:	Rajah & Tann Singapore LLP 9 Battery Road #25-01 Singapore 049910
LEGAL ADVISER TO THE VI-REIT TRUSTEE	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
SOLE FINANCIAL ADVISER TO THE VIT MANAGERS	:	BofA Merrill Lynch 50 Collyer Quay #14-01 OUE Bayfront Singapore 049321
INDEPENDENT FINANCIAL ADVISER TO THE VIT INDEPENDENT DIRECTORS AND THE VI-REIT TRUSTEE	:	KPMG Corporate Finance Pte. Ltd. 16 Raffles Quay #22-00, Hong Leong Building Singapore 048581

CORPORATE INFORMATION

AUDITORS	:	Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809
REPORTING ACCOUNTANTS	:	Ernst & Young LLP One Raffles Quay, North Tower Level 18 Singapore 048583

LETTER TO STAPLED SECURITYHOLDERS

VIVA INDUSTRIAL TRUST

Comprising

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore)

managed by

Viva Industrial Trust Management Pte. Ltd.

VIVA INDUSTRIAL BUSINESS TRUST

(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore)

managed by

Viva Asset Management Pte. Ltd.

Directors of the VI-REIT Manager
Dr. Leong Horn Kee (Chairman and Independent Non-Executive Director)
Mr. Richard Teo Cheng Hiang (Independent Non-Executive Director)
Dr. Choong Chow Siong (Independent Non-Executive Director)
Mr. Ronald Lim Cheng Aun (Independent Non-Executive Director)
Mr. Tong Jinquan (Non-Executive Director)
Mr. Tan Hai Peng Micheal (Non-Executive Director)
Mr. Tan Kim Seng (Non-Executive Director)
Mr. Wilson Ang Poh Seong (Chief Executive Officer and Executive Director)

Registered Office:
750 Chai Chee Road
#04-03
Viva Business Park
Singapore 469000

Directors of the VI-BT Manager
Dr. Leong Horn Kee (Chairman and Independent Non-Executive Director)
Mr. Richard Teo Cheng Hiang (Independent Non-Executive Director)
Dr. Choong Chow Siong (Independent Non-Executive Director)
Mr. Ronald Lim Cheng Aun (Independent Non-Executive Director)
Mr. Tan Hai Peng Micheal (Non-Executive Director)
Mr. Tan Kim Seng (Non-Executive Director)
Mr. Wilson Ang Poh Seong (Chief Executive Officer and Executive Director)

Registered Office:
750 Chai Chee Road
#04-03
Viva Business Park
Singapore 469000

7 August 2018

To:

The Stapled Securityholders of Viva Industrial Trust

Dear Sir/Madam

(1) THE PROPOSED VIT TRUST SCHEME AMENDMENTS TO THE VIT TRUST DEEDS;

(2) THE PROPOSED VIT FACILITATION FEE AMENDMENTS TO THE VI-REIT TRUST DEED; AND

(3) THE PROPOSED MERGER OF ESR-REIT AND VIVA INDUSTRIAL TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

1. INTRODUCTION

1.1 Joint Announcement of the Merger and the Scheme

On 18 May 2018, the VIT Managers and the ESR-REIT Manager jointly announced the Merger, which shall be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of a trust scheme of arrangement in compliance with the Code.

A copy of the Joint Announcement is available on the SGX-ST at www.sgx.com.

1.2 Proposed VIT Trust Scheme Amendments

In connection with the implementation of the Scheme, it was also announced that the VIT Managers propose to enter into Supplemental Trust Deeds to amend the VIT Trust Deeds to include the VIT Trust Scheme Amendments to facilitate the implementation of the Scheme.

1.3 Proposed VIT Facilitation Fee and VIT Facilitation Fee Amendments

In recognition of the services that the VI-REIT Manager renders to VIT in connection with the Merger and the Scheme, the VIT Managers propose to include, in the VI-REIT Trust Deed, the VIT Facilitation Fee Amendments to provide for a facilitation fee of 0.25% of the Scheme Consideration (amounting to approximately S$2.3 million) which shall be payable to the VI-REIT Manager if the Scheme becomes effective in accordance with its terms.

For the avoidance of doubt, subject to the approval by the Stapled Securityholders of the VIT Facilitation Fee Amendments, the VIT Facilitation Fee will be paid by VIT to the VI-REIT Manager and there will **not** be any reduction to the Scheme Consideration. The VIT Facilitation Fee will be paid in cash.

1.4 Summary of Approvals Sought

(a) VIT Trust Deeds Amendments

The VIT Managers are convening the Extraordinary General Meeting to seek approval from the Stapled Securityholders for the following resolutions:

(i) the VIT Trust Scheme Amendments ("**Resolution 1**"); and

(ii) the VIT Facilitation Fee Amendments ("**Resolution 2**").

In respect of each of Resolution 1 and Resolution 2, the VIT Managers are seeking approval by way of Extraordinary Resolution.

(b) Scheme Resolution

In addition, subject to and contingent upon the passing of Resolution 1 at the Extraordinary General Meeting, the VIT Managers are convening the Scheme Meeting to seek the approval of a majority in number of the Stapled Securityholders representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme ("**Scheme Resolution**").

The Scheme Resolution is contingent upon the approval of Resolution 1 in respect of the VIT Trust Scheme Amendments at the Extraordinary General Meeting. In the event that Resolution 1 is not passed at the Extraordinary General Meeting, the VIT Managers will not proceed with the convening of the Scheme Meeting and the Scheme Resolution. This means that the Scheme cannot be implemented by the VIT Managers and the ESR-REIT Manager unless both Resolution 1 and the Scheme Resolution are passed at the Extraordinary General Meeting and the Scheme Meeting respectively.

For avoidance of doubt, Resolution 1 is not conditional on the Scheme Resolution being passed. In the event the VIT Trust Scheme Amendments are approved at the Extraordinary General Meeting, the VIT Trust Deeds will be amended to include the VIT Trust Scheme Amendments, whether or not the Scheme Resolution is passed.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

For the avoidance of doubt, Resolution 1 and the Scheme Resolution are not conditional on Resolution 2 (in respect of the VIT Facilitation Fee Amendments) being passed, and *vice versa*.

1.5 Purpose

The purpose of this Scheme Document is to set out information pertaining to the proposed VIT Trust Scheme Amendments, the VIT Facilitation Fee Amendments and the Scheme, to seek approval from the Stapled Securityholders for the proposed VIT Trust Scheme Amendments, the VIT Facilitation Fee Amendments and the Scheme, and to give the Stapled Securityholders notice of both the Extraordinary General Meeting and the Scheme Meeting.

2. THE MERGER AND THE SCHEME

2.1 Background

(a) Information on VIT

VIT is a Singapore-focused business park and industrial real estate investment trust listed on the Main Board of the SGX-ST on 4 November 2013. VIT is a stapled group comprising VI-REIT and VI-BT, which are managed by the VI-REIT Manager and the VI-BT Trustee-Manager respectively. VI-REIT has the principal investment strategy of investing in a diversified portfolio of income-producing real estate that is predominantly for business parks and other industrial purposes in Singapore and elsewhere in the Asia Pacific region. VI-BT is presently inactive.

As at the Latest Practicable Date, VIT has 975,758,607 Stapled Securities.

(b) Information on the VIT Managers

VI-REIT Manager

The VI-REIT Manager was incorporated in Singapore on 21 February 2012. VI-REIT is managed by the VI-REIT Manager, whose main responsibility is to manage VI-REIT's assets and liabilities for the benefit of the Stapled Securityholders, through setting the strategic direction of VI-REIT and making recommendations to the VI-REIT Trustee on the acquisition, divestment, development and/or enhancement of the assets of VI-REIT.

As at the Latest Practicable Date, the VI-REIT Manager has an issued and paid-up share capital of S$2,520,000 comprising 2,500,000 ordinary shares in issue and no treasury shares. All of the issued shares of the VI-REIT Manager are held by VIM.

As at the Latest Practicable Date, the board of directors of the VI-REIT Manager comprises the following:

(a) Dr. Leong Horn Kee (Chairman and Independent Non-Executive Director);

(b) Mr. Richard Teo Cheng Hiang (Independent Non-Executive Director);

(c) Dr. Choong Chow Siong (Independent Non-Executive Director);

(d) Mr. Ronald Lim Cheng Aun (Independent Non-Executive Director);

(e) Mr. Tong Jinquan (Non-Executive Director);

(f) Mr. Tan Hai Peng Micheal (Non-Executive Director);

(g) Mr. Tan Kim Seng (Non-Executive Director); and

(h) Mr. Wilson Ang Poh Seong (Chief Executive Officer and Executive Director).

VI-BT Trustee-Manager

The VI-BT Trustee-Manager was incorporated in Singapore on 20 June 2013. VI-BT is managed by the VI-BT Trustee-Manager, which has the dual responsibilities of safeguarding the interests of the Stapled Securityholders and managing the business conducted by VI-BT. The VI-BT Trustee-Manager has general powers of management over the business and assets of VI-BT for the benefit of the Stapled Securityholders as a whole. As stated in Paragraph 2.1(a) above, VI-BT is presently inactive.

As at the Latest Practicable Date, the VI-BT Trustee-Manager has an issued and paid-up share capital of S$100 comprising 100 ordinary shares in issue and no treasury shares. All of the issued shares of the VI-BT Trustee-Manager are held by VIM.

As at the Latest Practicable Date, the board of directors of the VI-BT Trustee-Manager is the same as that of the VI-REIT Manager, save that Mr. Tong is not a director of the VI-BT Trustee-Manager.

(c) Information on ESR-REIT

As stated in Paragraph 8.1 of the Offeror's Letter, ESR-REIT is constituted by way of the ESR-REIT Trust Deed and is a Singapore-based real estate investment trust listed on the Main Board of the SGX-ST on 25 July 2006. ESR-REIT invests in quality income-producing industrial properties and as at 31 March 2018 has a diversified portfolio of 47 properties located across Singapore, with a total gross floor area of approximately 9.7 million square feet and a property value of S$1.65 billion. The properties are in the following business sectors: General Industrial, Light Industrial, Logistics/Warehouse, High-Specs Industrial, and Business Park, and are located close to major transportation hubs and key industrial zones island-wide.

As at the Latest Practicable Date, ESR-REIT has in issue an aggregate of 1,583,701,947 ESR-REIT Units.

The principal office of ESR-REIT is the office of the ESR-REIT Manager at 138 Market Street, #26-03/04 CapitaGreen, Singapore 048946.

(d) Information on the ESR-REIT Manager

As stated in Paragraph 8.2 of the Offeror's Letter, the ESR-REIT Manager was incorporated in Singapore on 14 September 2005. 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: (i) acquisition of value-enhancing properties, (ii) proactive asset management, (iii) divestment of non-core properties, and (iv) prudent capital and risk management.

The board of directors of the ESR-REIT Manager comprises the following:

(i) Mr. Ooi Eng Peng (Independent Chairman);

(ii) Mr. Bruce Kendle Berry (Independent Non-Executive Director);

(iii) Mr. Erle William Spratt (Independent Non-Executive Director);

(iv) Mr. Philip John Pearce (Non-Executive Director)[1];

(v) Mr. Jeffrey David Perlman (Non-Executive Director);

(vi) Mr. Jeffrey Shen Jinchu (Non-Executive Director);

(vii) Mr. Akihiro Noguchi (Non-Executive Director); and

(viii) Mr. Adrian Chui Wai Yin (Chief Executive Officer and Executive Director).

As at the Latest Practicable Date, the ESR-REIT Manager has an issued and paid-up share capital of S$2,714,500 comprising 1,050,000 ordinary shares in issue and no treasury shares.

As at the Latest Practicable Date, 80% of the issued shares in the capital of ESR-REIT Manager are owned by ESRIM and the remaining 20% by Mitsui.

2.2 Rationale for the Merger and Future Plans for VIT[2]

(a) The Rationale for the Merger

(i) Attractive Premium to NAV and Historical Trading Prices

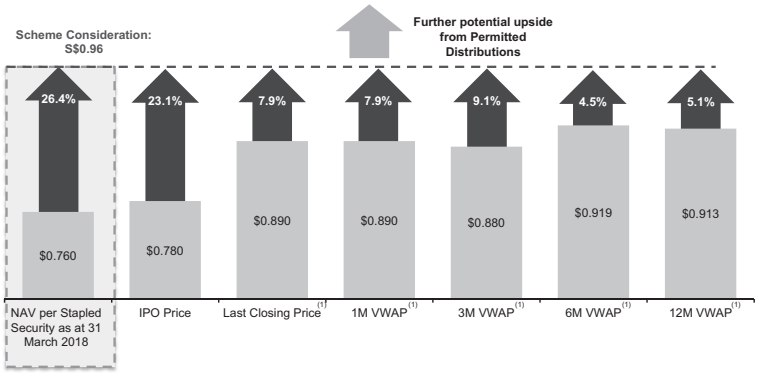
The Scheme Consideration represents a premium of approximately 26.4% over the NAV per Stapled Security as at 31 March 2018, a premium of approximately 7.9% over VIT's last closing price on 17 May 2018 (being the last trading day immediately prior to the Joint Announcement Date) and a premium of approximately 23.1% to VIT's initial public offering price. The Scheme Consideration also represents a premium of approximately 7.9% over VIT's closing price as at the Latest Practicable Date.

In addition, the Stapled Securityholders may have the opportunity to receive further VIT Permitted Distributions from the last distribution date to the Effective Date above the Scheme Consideration if and when declared by the VIT Managers.

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[1] Mr. Philip John Pearce was re-designated as a Non-Executive Director (from an Independent Non-Executive Director) with effect from 25 April 2018.

[2] Information in this Paragraph 2.2 about or relating to ESR Group, ESR-REIT and/or the ESR Manager is based on and/or extracted from publicly available information as at the Latest Practicable Date as well as the Offeror's Letter.



Source: Bloomberg.

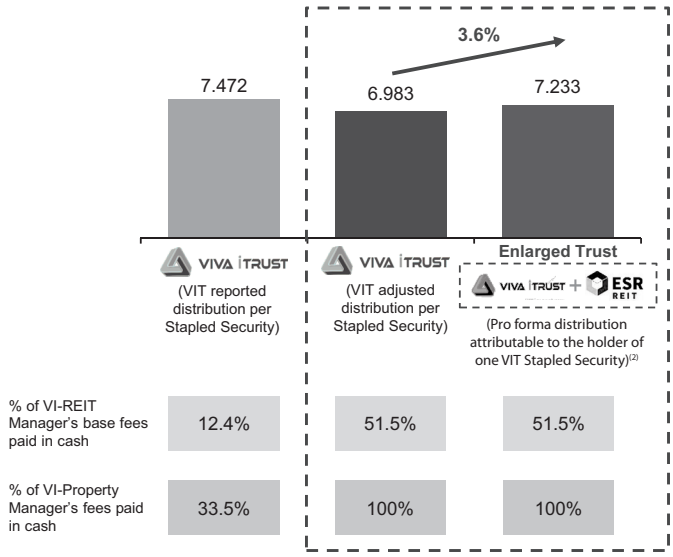
(1) The last closing price refers to the closing price of the Stapled Security as at 17 May 2018. The VWAPs are with reference to the relevant periods up to and including 17 May 2018, being the last trading day immediately prior to the Joint Announcement Date.

(ii) Distribution per Stapled Security and NAV per Stapled Security Accretive to the Stapled Securityholders

Assuming that the Merger had been completed on 1 January 2017, the pro forma distribution attributable to the holder of one Stapled Security for the financial year ended 31 December 2017 would be 7.233 cents. This is 3.6% higher than the pro forma distribution of 6.983 cents the holder of one Stapled Security would have received for the same period after aligning the proportion of the VI-REIT Manager's base fees and the VI-Property Manager's fees paid in cash to be on a like-for-like basis as compared to the Enlarged Trust.

FOR ILLUSTRATIVE PURPOSES ONLY — NOT A FORWARD LOOKING PROJECTION

Distribution Attributable to the holder of one Stapled Security(1)
(S$ Cents)



(1) Assumes the Merger had been completed on 1 January 2017.

(2) Calculated as the Enlarged Trust's FY2017 pro forma DPU multiplied by the gross exchange ratio of 1.778 assuming the cash component of the Scheme Consideration is used to purchase ESR-REIT Units at the issue price of S$0.54.

(S$'000)	1Q2017	2Q2017	3Q2017	4Q2017	FY2017
VIT reported distribution per Stapled Security (S$ Cents)	1.854	1.861	1.900	1.857	7.472
Number of Stapled Securities outstanding ('000 units)	959,954	967,473	970,098	972,658	967,563
VIT Distribution Declared	17,798	18,005	18,432	18,062	72,297
Adjustments for like-for-like management fees:					
Less: Additional VI-REIT Manager's base fees assumed paid in cash[(1)]	(750)	(541)	(823)	(821)	(2,935)
Less: Additional VI-Property Manager's fees assumed paid in cash[(2)]	(669)	(693)	(719)	—	(2,081)
VIT Adjusted Distribution	16,379	16,771	16,890	17,241	67,281
Adjusted number of Stapled Securities outstanding ('000 units)[(3)]	958,301	964,024	965,228	966,152	963,469
VIT adjusted distribution per Stapled Security (S$ Cents)	1.709	1.740	1.750	1.784	6.983

(1) Incremental VI-REIT Manager's base fees to be paid in cash to ensure a like-for-like comparison with the Enlarged Trust which will have approximately 51.5% of the REIT Manager's base fees paid in cash. Please refer to Appendix L to this Scheme Document for details on the Enlarged Trust's pro forma financials.

(2) Incremental VI-Property Manager's fees to be paid in cash to ensure a like-for-like comparison with the Enlarged Trust which will have 100% of the Property Manager's fees paid in cash. Please refer to Appendix L to this Scheme Document for details on the Enlarged Trust's pro forma financials.

(3) Adjusted number of Stapled Securities outstanding to account for an illustrative reduction in the number of Stapled Securities issued given the incremental VI-REIT Manager's base fees and VI-Property Manager's fees paid in cash.

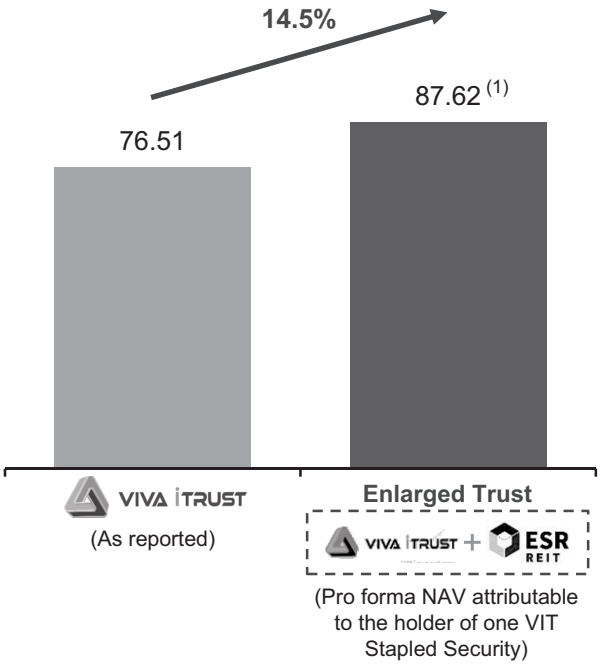
Annualised distribution attributable to the holder of one Stapled Security (S$ Cents)	
Enlarged Trust's pro forma DPU	4.068
Gross exchange ratio	1.778x
Pro forma distribution attributable to the holder of one Stapled Security[(1)]	7.233

(1) Calculated as the Enlarged Trust's FY2017 pro forma DPU multiplied by the gross exchange ratio of 1.778 assuming that the cash component of the Scheme Consideration is used to purchase ESR-REIT Units at the issue price of S$0.54.

The Merger will also be approximately 14.5% accretive to the Stapled Securityholders from the NAV perspective, with NAV attributable to the holder of one Stapled Security increasing from 76.51 cents to 87.62 cents.

FOR ILLUSTRATIVE PURPOSES ONLY — NOT A FORWARD LOOKING PROJECTION

NAV Attributable to the Holder of one Stapled Security (S$ Cents)



(1) Assumes the Merger had been completed on 31 December 2017.

NAV attributable to the holder of one Stapled Security (S$ Cents)	
Enlarged Trust's pro forma NAV per unit	49.28
Gross exchange ratio	1.778x
Pro forma NAV attributable to the holder of one Stapled Security(1)	87.62

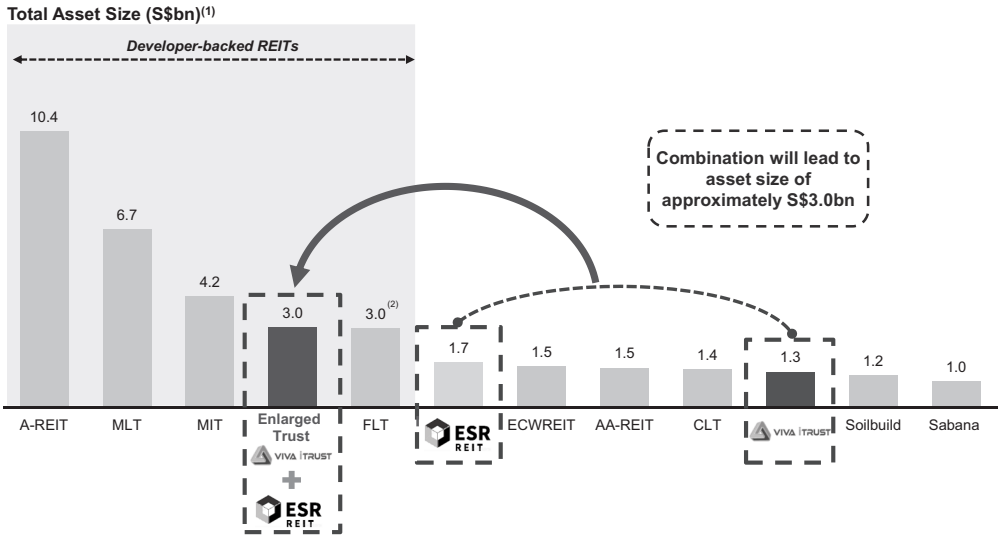
(1) Calculated as the Enlarged Trust's pro forma NAV per unit as at 31 December 2017 multiplied by the gross exchange ratio of 1.778 assuming that the cash component of the Scheme Consideration is used to purchase ESR-REIT Units at the issue price of S$0.54.

(iii) Creation of a Sizeable and Liquid Industrial Singapore-listed REIT ("**S-REIT**")

The Merger will result in the creation of a sizeable and liquid industrial S-REIT which will offer the following benefits to the Stapled Securityholders:

- The Enlarged Trust is expected to become the 4th largest industrial S-REIT[3], with total assets increasing to approximately S$3.0 billion; and

[3] Based on total assets figures as at 31 March 2018.

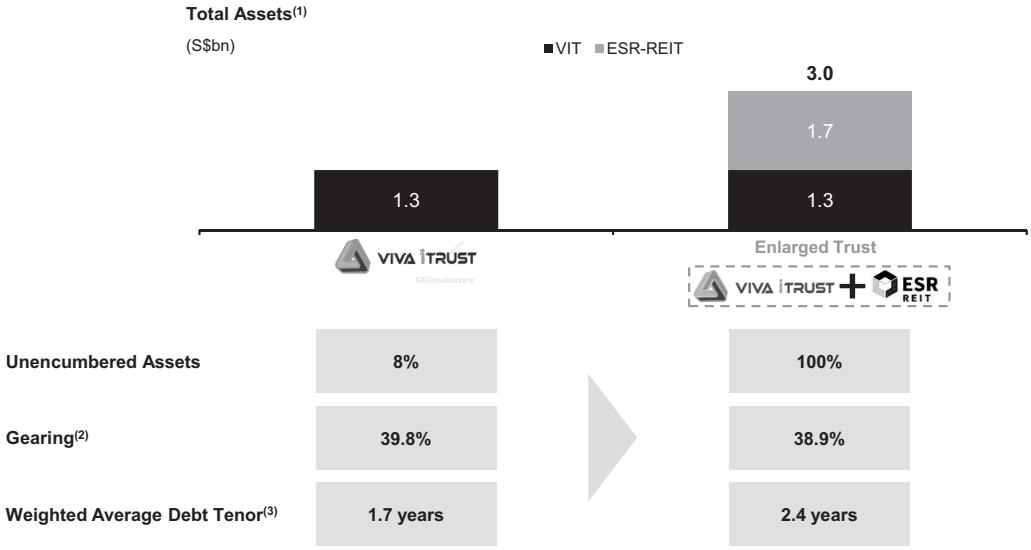


Source: Company Filings.

(1) As at 31 March 2018.

(2) Represents pro forma total asset size as at 31 March 2018, after adjusting for the proposed acquisition of interests in 21 properties in Germany and the Netherlands. Assumes exchange rate based on AUD:SGD of 1.00:1.01 as at the Latest Practicable Date.

- The Merger will result in a gearing of 38.9% for the Enlarged Trust. The Enlarged Trust's portfolio will be 100% unencumbered compared to 8% for VIT's current portfolio, allowing it to benefit from better access to capital and a more competitive cost of debt. Weighted average debt tenor also increases from 1.7 years to 2.4 years.



Source: Company Filings.

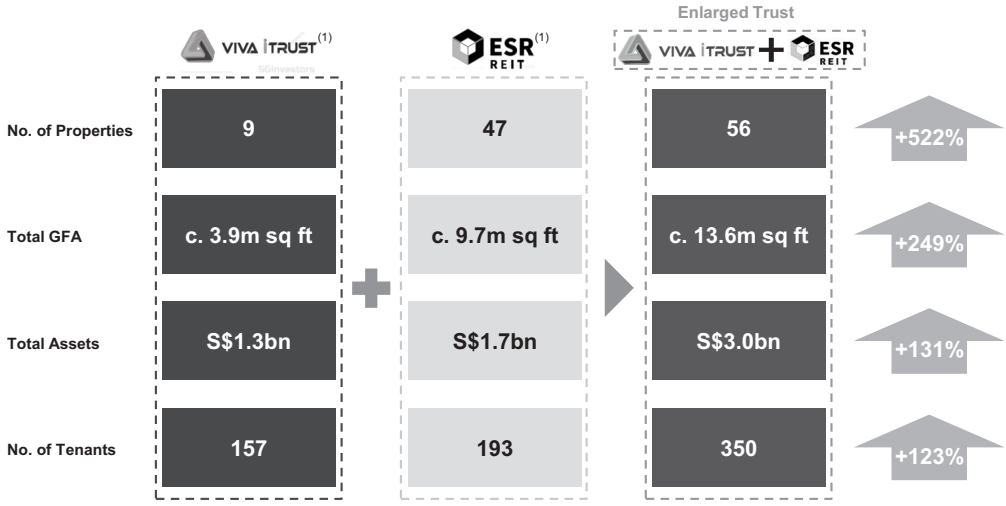
(1) As at 31 March 2018.

(2) As at 31 December 2017.

(3) As at the effective date of the Scheme and assuming that the Scheme becomes effective in October 2018.

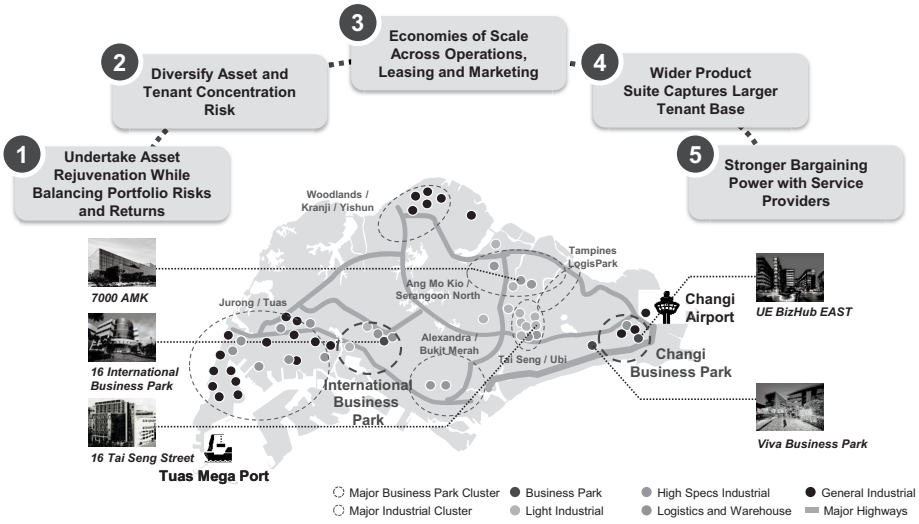
(iv) Enlarged and Diversified Portfolio

The Enlarged Trust will have an enhanced portfolio comprising 56 properties, representing a total gross floor area of approximately 13.6 million square feet and a total asset value of approximately S$3.0 billion. The number of tenants also increases from 157 (for VIT) and 193 (for ESR-REIT) to 350.

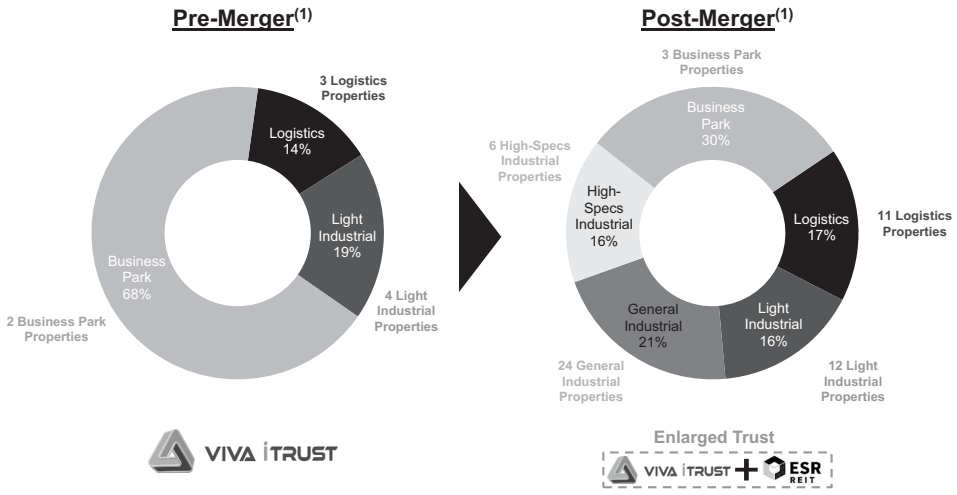


(1) As at 31 March 2018.

Following the Merger, the Enlarged Trust will be able to take advantage of operational benefits from the enhanced scale of the portfolio which comprises assets located strategically in key industrial zones in Singapore. These benefits include having the ability to undertake asset rejuvenation while balancing portfolio risks and returns, diversifying asset and tenant concentration risk, building economies of scale across operations, leasing and marketing, providing a wider product suite to capture a larger tenant base and having stronger bargaining power with service providers.



The Merger will also broaden VIT's current suite of industrial offerings to include General Industrial and High-Specs Industrial segments as these segments are currently a part of ESR-REIT's offerings, as well as significantly reduce reliance on any single asset and any single tenant.

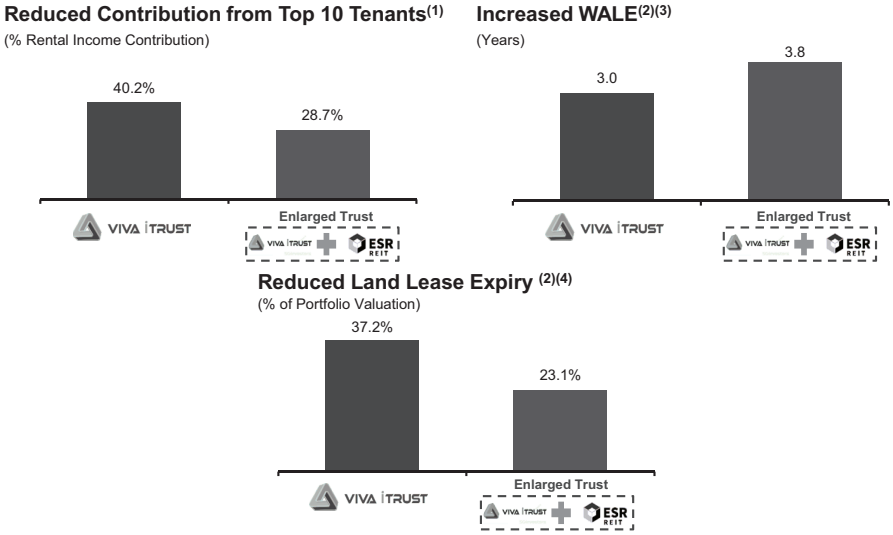


Note: Percentages may not add up to 100% due to rounding.

(1) Portfolio valuation as at 31 March 2018.

The Stapled Securityholders will also benefit from the following enhanced defensive attributes of the Enlarged Trust:

- Decrease in rental income contribution of the top 10 tenants from 40.2% to 28.7%
- Increase in WALE from 3.0 years to 3.8 years
- Decrease in the percentage of properties in the portfolio with land lease expiry within the next 20 years from 37.2% to 23.1%



(1) Based on actual gross rental income contribution (excluding hotel lease) for the month of March 2018.

(2) As at 31 March 2018.

(3) Enlarged Trust computed as weighted average of VIT WALE and ESR-REIT WALE weighted by rental income per month.

(4) Land lease expiry in the next 20 years by portfolio valuation.

Additionally, the Enlarged Trust will be well-positioned to leverage VIT's experience in managing a business park portfolio to enable the Enlarged Trust to undertake a portfolio rejuvenation strategy through acquisitions and AEIs. VIT's current portfolio will provide ESR-REIT with immediate access into a large proportion of Business Parks, which complements ESR-REIT's strategy of acquisitions in these segments including recent acquisitions of properties including 8 Tuas South Lane, 7000 Ang Mo Kio Ave 5, and 15 Greenwich Drive[4]. The AEI at 30 Marsiling Industrial Estate Road 8 and the potential upside at 7000 Ang Mo Kio Ave 5 in ESR-REIT's portfolio will further provide possible value accretion.

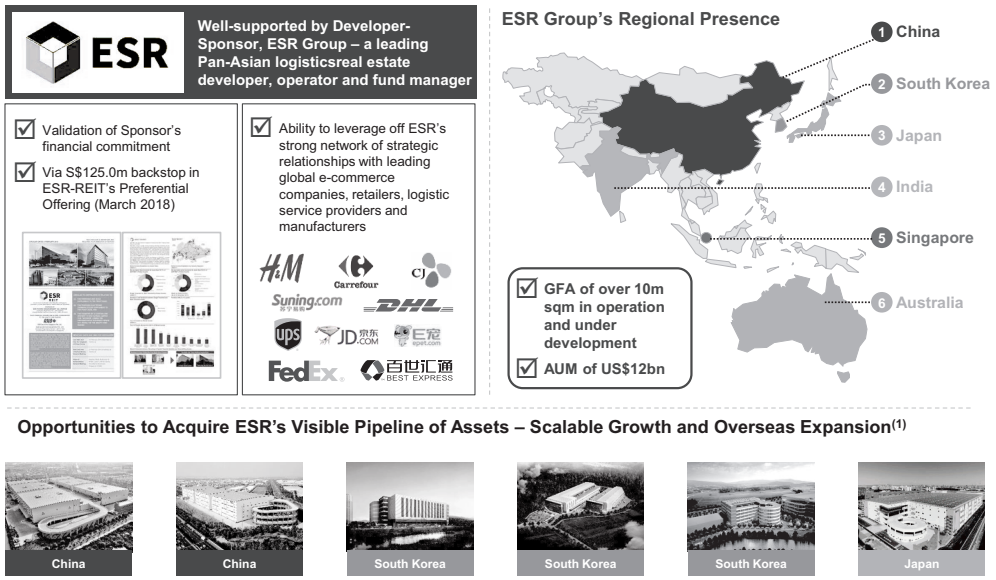
(v) Enlarged Trust will be Well-Supported by a Strong and Committed Developer-Sponsor

The Stapled Securityholders will benefit from the backing of a strong and committed developer-sponsor in the ESR Group, a leading pan-Asian logistics real estate developer, operator and fund manager. The ESR Group has a regional presence across China, Japan, Singapore, South Korea, India and Australia, with a total GFA of over 10 million square metres in operation and under development and total external assets under management of US$12 billion.

4 ESR-REIT announced the proposed acquisition of 15 Greenwich Drive on 24 April 2018.

The ESR Group's regional footprint provides the opportunity for the Enlarged Trust to leverage the ESR Group's strong network of strategic relationships with leading global e-commerce companies, retailers, logistics service providers and manufacturers.

In addition, the Enlarged Trust will have the opportunity to acquire the ESR Group's visible pipeline of assets, which will facilitate the Enlarged Trust's scalable growth and overseas expansion in the future.



(1) Selected properties from the ESR Group's regional portfolio.

(b) The ESR-REIT Manager's Intentions for VIT

As stated in Paragraph 6.6 of the Offeror's Letter as set out in Appendix D to this Scheme Document, ESR-REIT Manager's intentions for VIT is as reproduced in italics below:

"As mentioned in paragraph 3 above, the ESR-REIT Manager will acquire the VI-REIT Manager pursuant to the VI-REIT Manager Transaction. Following completion of the Manager Arrangements, VI-REIT will be managed by the ESR-REIT Manager and the VI-REIT Manager will be subsequently wound up. Accordingly, the ESR-REIT Manager will continue to be the manager of the enlarged ESR-REIT portfolio.

In the interim period where the VI-REIT Manager is still the manager of VI-REIT, the VI-REIT Manager will be entitled to receive fees under the VI-REIT Trust Deed. The ESR-REIT Manager will take steps, including effecting the passing of relevant Stapled Securityholder resolutions and seeking the relevant regulatory approvals, to amend the fees payable to the VI-REIT Manager under the VI-REIT Trust Deed to mirror the fees payable to the ESR-REIT Manager under the ESR-REIT Trust Deed, with effect from the date of completion of the Merger, as well as to wind up VI-BT (and thereby terminating the Stapling Deed). The property manager of ESR-REIT, ESR Property Management (S) Pte. Ltd., will manage the properties of VIT under the terms of the existing property management agreement of ESR-REIT.

It is also intended that, following completion of the Manager Arrangements and subject to evaluation by the Nominating and Remuneration Committee of the ESR-REIT Manager and approval of the board of directors of the ESR-REIT Manager and the MAS, as required, certain directors and key management staff of the VI-REIT Manager will be joining the ESR-REIT Manager.

Post-completion of the Merger, the ESR-REIT Manager's management team will focus on the integration of the business operations and portfolios of VIT and ESR-REIT, such as internal financial systems, operating procedures, compliance processes, enhancement and streamlining of landlord-tenant relationships, etc. This process may take at least six (6) months to complete. Successful integration will ensure that the Enlarged Trust will operate efficiently and seamlessly going forward, and extract the synergies of the enlarged portfolio thereby adding further potential value to ESR-REIT Unitholders.

A key priority of the ESR-REIT Manager post-Merger is ESR-REIT's asset rejuvenation strategy for organic growth via AEIs. With the Merger, it is intended that a number of key executives of the VI-REIT Manager will join the management team of the ESR-REIT Manager and bring their expertise and track record in undertaking large scale AEIs. This is aligned with the ESR-REIT Manager's portfolio enhancement strategy which aims to further extract value from the trust assets. The combined management strength of the Enlarged Trust will review the potential AEI and redevelopment opportunities within the Enlarged Trust's portfolio, to be executed over the next two (2) to three (3) years. Successful integration will extract the synergies of the complementary skill sets of the two (2) management teams to the benefit of ESR-REIT Unitholders.

The Enlarged Trust's larger portfolio and enhanced management team will provide the opportunity to re-evaluate the timing, scale and risk-return profile of the AEIs to be undertaken, for both the existing ESR-REIT portfolio and the VIT 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 the Enlarged Trust 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.

Save as disclosed above, the ESR-REIT Manager does not currently have any intention to (a) make any major changes to the business of VIT, (b) re-deploy the fixed assets of VIT, or (c) discontinue the employment of the existing employees of the VIT Managers.

Nonetheless, the ESR-REIT Manager retains the flexibility to, at any time, consider options or opportunities which may present themselves, or may be required, and which it regards to be in the best interests of the enlarged ESR-REIT."

(c) Financing

There are restrictions in the VIT Group's facilities in connection with the implementation of the Merger and the Scheme. Accordingly, and as stated in Paragraph 6.5 of the Offeror's Letter, the ESR-REIT Trustee has obtained unsecured

banking facilities from UOB, RHB Bank Berhad (Singapore Branch), The Hongkong and Shanghai Banking Corporation Limited and Malayan Banking Berhad, Singapore Branch. The proceeds of such facilities will be applied towards the following purposes:

(i) the part refinancing of existing loan facilities granted to the ESR-REIT Trustee;

(ii) the refinancing in full of the indebtedness under (A) the existing loan facilities granted to the VI-REIT Trustee, and (B) the S$500,000,000 multicurrency medium term note programme established by Viva iTrust MTN Pte. Ltd. as issuer and the VI-REIT Trustee as guarantor, on 28 August 2014;

(iii) the part financing of the Cash Consideration for the Scheme; and

(iv) the payment of costs, fees and expenses (including taxes) incurred by or on behalf of the ESR-REIT Trustee in connection with the Scheme.

2.3 The Merger and the Scheme

(a) Terms of the Scheme

(i) **The Scheme**: The Scheme is proposed to be effected in accordance with the Code and the VIT Trust Deeds (to be amended and supplemented by the Supplemental Trust Deeds), subject to the terms and conditions of the Implementation Agreement. Under the Scheme:

(A) all the Stapled Securities held by the Stapled Securityholders, as at the Books Closure Date, will be transferred to the ESR-REIT Trustee:

(I) fully paid;

(II) free from any Encumbrances; and

(III) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and distributions (if any) declared by the VIT Managers on or after the Joint Announcement Date), except for the VIT Permitted Distributions,

such that on and from the Effective Date, the ESR-REIT Trustee will hold 100 per cent. (100%) of the Stapled Securities; and

(B) in consideration for such transfer of the Stapled Securities, the ESR-REIT Manager will pay to each Stapled Securityholder the Scheme Consideration.

(ii) **Scheme Consideration**: Pursuant to the Implementation Agreement, the ESR-REIT Manager will, upon the Scheme becoming effective in accordance with its terms, pay to the Entitled Stapled Securityholders S$0.96 per Stapled

Securityheld by each of them as at the Books Closure Date (the "**Scheme Consideration**"), which shall be satisfied by:

(A) firstly, the payment by the ESR-REIT Manager out of the assets of ESR-REIT of the Cash Consideration, being S$0.096 in cash per Stapled Security; and

(B) secondly, the allotment and issue by the ESR-REIT Manager of the Consideration Units at an issue price of S$0.54 for each Consideration Unit.

The Scheme Consideration implies a gross exchange ratio of 1.778x[5] taking into account the Cash Consideration.

The cash amount to be paid to a Stapled Securityholder will be rounded down to the nearest S$0.01. No fractions of a Consideration Unit shall be issued to any Stapled Securityholder. The number of Consideration Units which Stapled Securityholders will be entitled to pursuant to the Scheme, based on their holdings of Stapled Securities as at the Books Closure Date, will be rounded down to the nearest whole Consideration Unit and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be issued to any Stapled Securityholder pursuant to the Scheme.

By way of illustration, if the Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S$9.60 in cash and 160 Consideration Units for every 100 Stapled Securities held by it as at the Books Closure Date.

(b) Permitted Distributions

Subject to the terms and conditions of the Implementation Agreement, the VIT Managers and the ESR-REIT Manager are permitted to declare, pay or make distributions to the Stapled Securityholders and ESR-REIT Unitholders (as the case may be) (respectively, the "**VIT Permitted Distributions**" and "**ESR-REIT Permitted Distributions**"):

(i) in the ordinary course of business in respect of the period from 1 January 2018 to the Effective Date; and

(ii) in respect of tax refunds (if any) received by VIT and ESR-REIT (as the case may be) prior to the Effective Date from the Inland Revenue Authority of Singapore in relation to taxes previously paid by VIT and ESR-REIT (as the case may be).

The VIT Permitted Distributions and the ESR-REIT Permitted Distributions shall not include distributions declared, paid or made by the VIT Managers or the ESR-REIT Manager to the Stapled Securityholders or the ESR-REIT Unitholders respectively in respect of proceeds received in connection with the sale of any real properties.

[5] Based on the Scheme Consideration of S$0.96 per Stapled Security divided by issue price of S$0.54 per Consideration Unit.

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

The Stapled Securityholders shall have the right to receive and retain the VIT Permitted Distributions in addition to the Scheme Consideration.

In this regard, the following VIT Permitted Distributions have been paid to the Stapled Securityholders in respect of the period from 1 January 2018 up to the Latest Practicable Date:

(1) Distribution of 1.857 cents per Stapled Security for the period from 1 October 2017 to 31 December 2017, which was declared on 26 January 2018 and paid on 28 February 2018; and

(2) Distribution of 1.838 cents per Stapled Security for the period from 1 January 2018 to 31 March 2018, which was declared on 15 May 2018 and paid on 18 June 2018

The ESR-REIT Manager reserves the right to adjust the Scheme Consideration if any distribution in excess of the VIT Permitted Distributions is declared, paid or made by the VIT Managers on or after the date of the Implementation Agreement.

(c) New ESR-REIT Units

Under the terms of the Implementation Agreement, the ESR-REIT Manager has represented and warranted that:

(i) all the Consideration Units will, when issued, be duly authorised and validly issued, and be fully paid-up and rank *pari passu* in all respects with the existing ESR-REIT Units as at the date of their issue;

(ii) all the Consideration Units shall be issued no later than seven (7) Business Days from the Effective Date; and

(iii) the Consideration Units shall 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.

For avoidance of doubt, no ESR-REIT Permitted Distributions shall be payable in respect of the Consideration Units.

2.4 Scheme Conditions

(a) Scheme Conditions

The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the "**Scheme Conditions**") set out in Appendix N to this Scheme Document by the Long-Stop Date.

If each of the Scheme Conditions is satisfied or, as the case may be, has been waived in accordance with the terms of the Implementation Agreement, the Scheme will come

into effect on the date falling 10 Business Days after the last of the Scheme Conditions set out in Paragraphs (a), (b), (c), (d) and (e) of Appendix N to this Scheme Document has been satisfied (or such other date as may be agreed between the VIT Managers and the ESR-REIT Manager).

As at the Latest Practicable Date, save for the Scheme Conditions set out in Paragraphs (d)(i) — (iv) and (d)(viii) of Appendix N to this Scheme Document which have been satisfied (or, where applicable, waived), the Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in Appendix N to this Scheme Document by the Long-Stop Date.

(b) Benefit of certain Scheme Conditions

(i) The ESR-REIT Manager's Benefit

The ESR-REIT Manager alone may waive the Scheme Conditions in Paragraph (g) (in relation to any Prescribed Occurrences set out in Appendix O to this Scheme Document relating to the VIT Group), Paragraph (h), Paragraph (j) and Paragraph (k)(i) of Appendix N to this Scheme Document.

(ii) The VIT Managers' Benefit

The VIT Managers alone may waive the Scheme Conditions in Paragraph (g) (in relation to any Prescribed Occurrences set out in Appendix O to this Scheme Document relating to the ESR-REIT Group), Paragraph (i) and Paragraph (k)(ii) of Appendix N to this Scheme Document.

(iii) Parties' Benefit

The Parties agree that the Scheme Conditions set out in Paragraphs (a), (b), (c), (d), (e) and (f) of Appendix N to this Scheme Document are not capable of being waived by any or all Parties.

2.5 Termination of the Scheme

(a) Right to Terminate

The Implementation Agreement provides that the Implementation Agreement may be terminated at any time on or prior to the Record Date (provided that the Party seeking termination does so only after it has had prior consultation with the SIC):

(i) (A) **Regulatory Action**. by either the ESR-REIT Manager or the VIT Managers, if any court of competent jurisdiction or Governmental Authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Merger or any part thereof, or has refused to do anything necessary to permit the Scheme, the Merger or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;

(B) **Stapled Securityholders' Approval**. by either the ESR-REIT Manager or the VIT Managers, if the resolutions in respect of the VIT Trust Scheme Amendments and/or the Scheme are not approved (without amendment) by the requisite majorities of the Stapled Securityholders at the Scheme Meeting; or

(C) **ESR-REIT Unitholders' Approval**. by either the ESR-REIT Manager or the VIT Managers, if the resolutions in respect of ESR-REIT Unitholders' Approval are not approved (without amendment) by the requisite majorities of the ESR-REIT Unitholders at the meeting to be convened by the ESR-REIT Manager.

(ii) Competing Proposal

Without prejudice to Paragraph 2.5(c) of this Letter to Stapled Securityholders, if either a VIT Competing Proposal or a ESR-REIT Competing Proposal becomes or is declared unconditional in all respects or becomes effective, either the ESR-REIT Manager or the VIT Managers may terminate the Implementation Agreement by notice in writing to the other Parties.

(iii) Non-fulfilment of Scheme Conditions

Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall terminate if any of the Scheme Conditions set out in Appendix N to this Scheme Document has not been satisfied (or, where applicable, has not been waived) by the Long-Stop Date, except that:

(A) in the event of any non-fulfilment of the Scheme Conditions in Paragraphs (a), (b), (c), (d), (e), and/or (f) of Appendix N to this Scheme Document, any Party may only rely on such non-fulfilment of any such condition precedent to terminate the Implementation Agreement with the prior consultation and approval of the SIC;

(B) in the event of any non-fulfilment of the Scheme Conditions in Paragraph (g) (in relation to Prescribed Occurrences relating to the VIT Group), Paragraph (h), Paragraph (j) and Paragraph (k)(i) of Appendix N to this Scheme Document, the ESR-REIT Manager may only rely on such non-fulfilment of any such condition precedent to terminate the Implementation Agreement with the prior consultation and approval of the SIC; and

(C) in the event of any non-fulfilment of the Scheme Conditions in Paragraph (g) (in relation to Prescribed Occurrences relating to ESR-REIT), Paragraph (i) and Paragraph (k)(ii) of Appendix N to this Scheme Document, the VIT Managers may only rely on such non-fulfilment of any such condition precedent to terminate the Implementation Agreement with the prior consultation and approval of the SIC.

(b) Consultation with Other Parties

In the event any Party intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other Parties.

(c) Break Fee

Pursuant to the terms of the Implementation Agreement:

(i) The VIT Managers agree and undertake that the VIT Managers shall fully compensate the ESR-REIT Trustee and/or the ESR-REIT Manager for all the 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 0.75% of the aggregate Scheme Consideration if any of the following occurs ("**Break Fee**"):

(A) in the event of a breach or non-compliance by the VIT Managers of certain specified obligations agreed to by the Parties; and/or

(B) in the event a VIT Competing Proposal becomes or is declared unconditional in all respects or becomes effective.

(ii) The obligation to pay the Break Fee as described in this Paragraph 2.5(c) shall survive termination of the Implementation Agreement and remains in effect until all liabilities of the VIT Managers described in this Paragraph 2.5(c), if any, have been satisfied.

(d) Reverse Break Fee

Pursuant to the terms of the Implementation Agreement:

(i) The ESR-REIT Manager agrees and undertakes that the ESR-REIT Manager shall fully compensate the VI-REIT Trustee and/or the VIT Managers for all the costs and expenses reasonably incurred by or on behalf of the VI-REIT Trustee and/or the VIT Managers 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 VI-REIT Trustee and/or the VIT Managers in connection with the Merger and/or the Scheme), subject to a maximum amount of 0.25% of the aggregate Scheme Consideration in the event of a breach or non-compliance by the ESR-REIT Manager of certain specified obligations agreed to by the Parties (the "**Reverse Break Fee**").

(ii) The obligation to pay the Reverse Break Fee as described in this Paragraph 2.5(d) shall survive termination of the Implementation Agreement and remains in effect until all liabilities of the ESR-REIT Manager described in this Paragraph 2.5(d), if any, have been satisfied.

(e) Effect of Termination

In the event of termination of the Implementation Agreement by any Party pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and there shall be no other

liability on any Party save as set out in the Implementation Agreement. Any termination of the Implementation Agreement shall be without prejudice to any rights which a Party may have against another Party for breach by that other Party prior to the termination of the Implementation Agreement, provided that:

(i) the aggregate liability of the VIT Managers in respect of all claims shall not in any event exceed 0.75% of the aggregate Scheme Consideration;

(ii) the aggregate liability of the ESR-REIT Manager in respect of all claims shall not in any event exceed 0.25% of the aggregate Scheme Consideration; and

(iii) no claim shall be brought by any Party against the other Parties unless notice in writing of any such claim (specifying in reasonable detail the nature of the breach, the amount claimed in respect thereof and all matters relied upon together with supporting evidence) has been given to the other Parties on or prior to the Claim Date. Any claim which has been made before the Claim Date shall, if it has not been previously satisfied in full, settled or withdrawn, be deemed to have been withdrawn and shall become fully barred and unenforceable on the expiry of the period of six (6) months commencing from the Claim Date unless proceedings in respect thereof shall have been commenced against the defaulting party, and for this purpose proceedings shall not be deemed to have been commenced unless they shall have been issued and served upon the defaulting party.

For the avoidance of doubt, no Party shall have any claim against the other Parties under the Implementation Agreement after the Effective Date.

(f) The arrangements in respect of the Break Fee and Reverse Break Fee were agreed as a result of normal commercial negotiations between the VIT Managers and the ESR-REIT Manager and the Parties have agreed to (i) a higher cap for the Break Fee as compared to the Reverse Break Fee, and (ii) a higher cap on the aggregate liability of the VIT Managers as compared to the aggregate liability of the ESR-REIT Manager as set out under Paragraph 2.5(e) above, to take into account the costs and expenses incurred by the ESR-REIT Manager in connection with the entry into the financing facilities as described in Paragraph 2.2(c) above.

2.6 Specific obligations of the ESR-REIT Manager

Pursuant to the terms of the Implementation Agreement, the ESR-REIT Manager shall execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as reasonably practicable, including the obligations set out in Appendix R to this Scheme Document.

2.7 Specific Obligations of the VIT Managers

Pursuant to the terms of the Implementation Agreement, the VIT Managers shall execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as reasonably practicable, including the obligations set out in Appendix S of this Scheme Document.

2.8 Exclusive Dealing

Each of the ESR-REIT Manager and the VIT Managers has undertaken to, save for the Manager Arrangements, deal exclusively with each other to complete the Merger and the Scheme.

2.9 No Cash Outlay

The Stapled Securityholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Stapled Securityholders under the Scheme.

2.10 Waiver of Rights to a General Offer

The Stapled Securityholders should note that by voting in favour of the Scheme, Stapled Securityholders will be regarded as having waived their rights to a general offer by the ESR-REIT Manager Concert Party Group to acquire the Stapled Securities under the Code (in respect of the Scheme only) and are agreeing to the ESR-REIT Manager Concert Party Group acquiring or consolidating effective control of VIT by way of the Scheme without having to make a general offer.

2.11 Manager Arrangements

(a) In connection with the Scheme:

(i) the ESR-REIT Manager in its own capacity as purchaser has executed the PCOA with, *inter alia*, VIM as vendor, for the VI-REIT Manager Transaction to acquire all of the VI-REIT Manager Sale Shares held by VIM for an aggregate consideration of S$62.0 million. The right to exercise the options under the PCOA is subject to fulfilment of certain conditions precedent specified therein, including, without limitation, the Scheme having been approved by the Stapled Securityholders at the Scheme Meeting and coming into effect in accordance with its terms. In addition, pursuant to the PCOA, VIM has undertaken to the ESR-REIT Manager, *inter alia,* that the Stapled Securities held by the VI-REIT Manager shall be sold or distributed to VIM on or prior to the PCOA Completion Date. The consideration for the VI-REIT Manager Transaction will be paid to VIM by the ESR-REIT Manager by a combination of cash and promissory notes. The shareholders of VIM are Maxi, HLGPL and Justice Offshore Holdings (BVI) Limited, while Maxi is owned by SSPL, Mr. Ang (CEO), Mr. Victor Song Chern Chean and Mr. Frank Ng Tze Wei; and

(ii) SSPL, being an entity wholly-owned and controlled by Mr. Tong and also an indirect shareholder of VIM, will utilise its portion of the consideration from the VI-REIT Manager Transaction to subscribe for a 25.0% stake in the ESR-REIT Manager,

(collectively, the "**Manager Arrangements**").

(b) The VI-REIT Manager Transaction will be funded by ESRIM via a capital injection by ESRIM into the ESR-REIT Manager and, for the avoidance of doubt, ESR-REIT and the ESR-REIT Unitholders will not be required to bear any part of the consideration to be paid pursuant to the VI-REIT Manager Transaction.

(c) Upon completion of the Manager Arrangements, the VI-REIT Manager will be wholly-owned by the ESR-REIT Manager and the resultant shareholding of the ESR-REIT Manager will be as follows:

Shareholder	Shareholding proportion
ESRIM	67.3%
SSPL	25.0%
Mitsui	7.7%

(d) It is also intended that, following such completion and subject to evaluation by the Nominating and Remuneration Committee of the ESR-REIT Manager and approval of the board of directors of the ESR-REIT Manager and the MAS, as required, Mr. Ang (CEO) will be joining the ESR-REIT Manager as a senior adviser to the ESR-REIT Manager's management team and Non-Executive Director of the ESR-REIT Manager while Mr. Tong will be joining as a Non-Executive Director of the ESR-REIT Manager.

(e) Following completion of the Manager Arrangements, VI-REIT will be managed by the ESR-REIT Manager. Accordingly, the ESR-REIT Manager will be the manager of the enlarged ESR-REIT portfolio.

(f) The MAS approved on 18 May 2018 the acquisition by the ESR-REIT Manager of the shares of the VI-REIT Manager and the subscription by SSPL of shares in the ESR-REIT Manager pursuant to the Manager Arrangements.

(g) The SIC also confirmed on 8 May 2018 that the Manager Arrangements do not constitute a special deal under Rule 10 of the Code, if an independent valuer publicly states that in his opinion, the price paid for the VI-REIT Manager is not above the fair market value of the VI-REIT Manager. In this regard, the advice of the VIT IFA in relation to the VI-REIT Manager Transaction is set out in the VIT IFA Letter (VI-REIT Manager Transaction) as set out in Appendix C to this Scheme Document.

(h) Save as disclosed in this Scheme Document, no director of the VIT Managers, substantial Stapled Securityholder or the VIT Managers has any interest in the Scheme (other than by reason only of being a director of the VIT Managers or a Stapled Securityholder).

3. THE VIT TRUST SCHEME AMENDMENTS

Pursuant to the VIT Trust Deeds and Section 31(1)(a) of the Business Trusts Act in the case of VI-BT, the VIT Managers are seeking the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the VIT Trust Scheme Amendments.

The VIT Trust Scheme Amendments will introduce provisions to facilitate the giving effect to and implementation of the Scheme. As part of the VIT Trust Scheme Amendments, the VIT Managers will have the power to do all things that it considers necessary or desirable to give effect to the Scheme.

Please refer to Part 1 of Appendix F to this Scheme Document which sets out the proposed VIT Trust Scheme Amendments.

4. THE VIT FACILITATION FEE AMENDMENTS

4.1 Background and Rationale

Subject to approval from the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting pursuant to the VI-REIT Trust Deed, the VI-REIT Manager intends to enter into a Supplemental Trust Deed with the VI-REIT Trustee to amend the VI-REIT Trust Deed so that the VIT Facilitation Fee of 0.25% of the Scheme Consideration (amounting to approximately S$2.3 million) may be paid by VIT to the VI-REIT Manager if the Scheme becomes effective in accordance with its terms.

The Merger and the Scheme are generally outside the scope of the VI-REIT Manager's mandate, which is to manage VI-REIT and its business. At the time of the establishment of VI-REIT, a transaction in the nature of the Merger and the Scheme was not contemplated, and as a consequence, under the VI-REIT Trust Deed, no fee was included to be payable to the VI-REIT Manager in the event that a transaction in the nature of the Merger and the Scheme was effected in respect of VI-REIT.

Accordingly, in view of the significant efforts required and the costs and expenses incurred by the VI-REIT Manager in negotiating and facilitating the Merger and the Scheme which are not reimbursed by VI-REIT to the VI-REIT Manager, it is proposed that in the event the Merger and the Scheme is effected, the VI-REIT Manager be paid the VIT Facilitation Fee in cash in recognition of the services that the VI-REIT Manager renders to VIT in connection with the Merger and the Scheme.

4.2 Proposed VIT Facilitation Fee Amendments

Please refer to Part 2 of Appendix F to this Scheme Document which sets out the proposed VIT Facilitation Fee Amendments.

4.3 Approval from the Stapled Securityholders

The VIT Facilitation Fee, being an additional fee arrangement, requires an amendment to the VI-REIT Trust Deed, and therefore, approval from the Stapled Securityholders by way of an Extraordinary Resolution is required. Accordingly, the approval of the Stapled Securityholders by way of Extraordinary Resolution at the Extraordinary General Meeting for the VIT Facilitation Fee Amendments is being tabled as Resolution 2.

The VIT Independent Directors (VIT Facilitation Fee) note that the opinion of the VIT IFA is that the VIT Facilitation Fee Amendments are on normal commercial terms and are not prejudicial to VIT and its minority Stapled Securityholders. Additional information on the opinion of the VIT IFA in relation to the VIT Facilitation Fee Amendments is set out in Paragraph 17.3 below.

5. VIT DEEDS OF UNDERTAKING

5.1 VIT Deeds of Undertaking

Each of the Stapled Securityholders set out in the table below (collectively, the "**Undertaking Stapled Securityholders**") has given a VIT Deed of Undertaking to, *inter alia*:

(a) vote or procure the voting of, all of his/her/its respective Stapled Securities (the "**Relevant Stapled Securities**") in favour of the VIT Trust Scheme Amendments, the Scheme and any other matter necessary or proposed to implement the Scheme at the Extraordinary General Meeting and the Scheme Meeting; and

(b) not accept or approve any other proposal, offer or trust scheme of arrangement from any other party other than the ESR-REIT Manager for all or any of the Relevant Stapled Securities, whether or not such other proposal, offer or trust scheme of arrangement is at a price higher than the Scheme Consideration.

The Undertaking Stapled Securityholders have also agreed to be bound by certain non-solicitation restrictions during the term of the VIT Deeds of Undertaking.

The number of Stapled Securities held by the Undertaking Stapled Securityholders as at the Latest Practicable Date are set out below and represent in aggregate 5.78% of the total number of Stapled Securities:

S/N	Name of Stapled Securityholder	Number of Stapled Securities Owned	Number of Stapled Securities Owned as a Percentage of the Total Number of Stapled Securities[(1)]
1.	Meiban Investment Pte. Ltd.	24,444,142	2.51%
2.	Goh Tiong Yong	8,668,914	0.89%
3.	M3 Capital Pte. Ltd.	3,600,000	0.37%
4.	Teo Soon Eng	2,300,000	0.24%
5.	Carol Goh Su Lin	1,500,000	0.15%
6.	Goh Su Min	800,000	0.08%
7.	Phang Say Lang	9,742,623	1.00%
8.	Pang Seh Fong	3,822,555	0.39%
9.	Tay Siew Lian	1,274,185	0.13%
10.	Teng Sau Fan	254,837	0.03%
Total		**56,407,256**	**5.78%**

Note:

(1) Based on the total number of issued Stapled Securities of 975,758,607 Stapled Securities as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.

5.2 Termination

Each of the VIT Deeds of Undertaking will terminate on the earliest of any of the following dates:

(a) in the event the Implementation Agreement lapses or is terminated for any reason (other than a breach by the Undertaking Stapled Securityholders of their respective obligations set forth in the VIT Deeds of Undertaking) without the Scheme becoming effective, the date the Implementation Agreement lapses or is terminated;

(b) if the Scheme lapses, is withdrawn or does not become effective by the Long-Stop Date, the Long-Stop Date; and

(c) the Effective Date.

5.3 No Other Irrevocable Undertakings

As stated in Paragraph 4.4 of the Offeror's Letter, save for the VIT Deeds of Undertaking, as at the Latest Practicable Date, neither ESR-REIT nor any person acting in concert with it in connection with the Merger has received any irrevocable undertaking from any party to vote in favour of the Scheme.

6. APPROVALS REQUIRED IN RESPECT OF THE SCHEME

6.1 Scheme Meeting and Court Sanction

The Scheme will require, *inter alia*, the following approvals:

(a) the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for Resolution 1 (in respect of the VIT Trust Scheme Amendments);

(b) the approval of a majority in number of the Stapled Securityholders representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme Resolution; and

(c) the order of the Court sanctioning the Scheme under Order 80 of the Rules of Court (the "**Scheme Court Order**") being obtained.

The Scheme Resolution is contingent upon the approval of Resolution 1 in respect of the VIT Trust Scheme Amendments at the Extraordinary General Meeting. In the event that Resolution 1 is not passed at the Extraordinary General Meeting, the VIT Managers will not proceed with the Scheme Meeting and the Scheme Resolution. This means that the Scheme cannot be implemented by the VIT Managers and the ESR-REIT Manager unless both Resolution 1 and the Scheme Resolution are passed at the Extraordinary General Meeting and the Scheme Meeting respectively.

For avoidance of doubt, Resolution 1 is not conditional on the Scheme Resolution being passed. In the event the VIT Trust Scheme Amendments are approved at the Extraordinary General Meeting, the VIT Trust Deeds will be amended to include the VIT Trust Scheme Amendments, whether or not the Scheme Resolution is passed.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

For the avoidance of doubt, Resolution 1 and the Scheme Resolution are not conditional on Resolution 2 (in respect of the VIT Facilitation Fee Amendments) being passed, and *vice versa.*

6.2 SIC Rulings and Confirmations

Pursuant to the application made by the ESR-REIT Manager to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Scheme, the SIC has confirmed on 17 May 2018, *inter alia*, that:

(a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

(i) the ESR-REIT Manager, its concert parties as well as the common substantial ESR-REIT Unitholders/Stapled Securityholders (i.e. those holding 5% or more interests in both ESR-REIT and VIT) abstain from voting on the Scheme;

(ii) the Scheme Document contains advice to the effect that by voting for the Scheme, Stapled Securityholders are agreeing to the ESR-REIT Manager and its concert parties acquiring VIT without having to make a general offer for VIT, and the Scheme Document discloses the names of the ESR-REIT Manager and its concert parties, their current voting rights in VIT and their voting rights in VIT after the Scheme;

(iii) the directors of the VIT Managers who are also concert parties of the ESR-REIT Manager and its concert parties abstain from making a recommendation on the Scheme to Stapled Securityholders;

(iv) the VIT Managers appoint an independent financial adviser to advise the Stapled Securityholders on the Scheme;

(v) the Scheme is approved by a majority in number representing three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at a meeting convened to approve the Scheme;

(vi) the VI-REIT Trustee and the VI-BT Trustee-Manager obtain Court approval for the Scheme under Order 80 of the Rules of Court; and

(b) it has no objections to the Scheme Conditions.

6.3 ESR-REIT Unitholders' Approval for the Merger

An extraordinary general meeting of ESR-REIT has also been convened to seek the approval of the ESR-REIT Unitholders on each of the following inter-conditional resolutions which are also conditional upon the Scheme becoming effective in accordance with its terms:

(a) the Merger;

(b) the proposed issue of new ESR-REIT Units to the Stapled Securityholders as part of the consideration pursuant to the Merger, and

(c) the waiver of the requirement for the Tong Group to make a mandatory general offer for ESR-REIT as a result of the increase in its unitholding in ESR-REIT pursuant to the Scheme.

For further information on the ESR-REIT Unitholders' Approval for the Merger, please refer to the ESR-REIT Circular dated 7 August 2018, a copy of which is available on the SGXNET.

7. DELISTING

Upon the Scheme becoming effective in accordance with its terms, the ESR-REIT Trustee, as trustee of ESR-REIT, will hold 100% of the Stapled Securities and VIT will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

An application was made to seek approval from the SGX-ST to delist and remove VIT from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 31 July 2018, advised that it has no objection to the delisting of VIT from the Official List of the SGX-ST subject to the Scheme becoming effective.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the delisting and removal of VIT from the Official List of the SGX-ST, VIT, the VIT Managers, their subsidiaries and/or their securities.

STAPLED SECURITYHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE STAPLED SECURITIES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

8. CONFIRMATION OF FINANCIAL RESOURCES

As stated in Paragraph 11 of the Offeror's Letter, UOB, as one of the ESR-REIT Financial Advisers, confirms that sufficient financial resources are available to ESR-REIT to satisfy in full, the aggregate Cash Consideration for the Scheme.

9. EXTRAORDINARY GENERAL MEETING

9.1 Extraordinary General Meeting

As mentioned in Paragraph 1.4(a) above, the Extraordinary General Meeting will be convened to seek the following approvals from the Stapled Securityholders:

(a) the approval of Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for Resolution 1 (in respect of the VIT Trust Scheme Amendments); and

(b) the approval of Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for Resolution 2 (in respect of the VIT Facilitation Fee Amendments).

9.2 Convening of Extraordinary General Meeting

The Extraordinary General Meeting will be convened and held on 31 August 2018 at 2.30 p.m. at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 for the purpose of considering, and if thought fit, passing with or without modifications, the Extraordinary Resolutions to approve Resolution 1 (in respect of the VIT Trust Scheme Amendments) and Resolution 2 (in respect of the VIT Facilitation Fee Amendments) as set out in this Scheme Document.

9.3 Notice

The notice of the Extraordinary General Meeting is set out in pages T-1 to T-3 of this Scheme Document. You are requested to take note of the date, time and place of the Extraordinary General Meeting.

10. SCHEME MEETING

10.1 Scheme Meeting

As mentioned in Paragraph 6.1 above, the Scheme will require, *inter alia*, the following approvals:

(a) the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for Resolution 1 (in respect of the VIT Trust Scheme Amendments); and

(b) the approval of a majority in number of the Stapled Securityholders representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme Resolution.

The Scheme Resolution is contingent upon the approval of Resolution 1 in respect of the VIT Trust Scheme Amendments at the Extraordinary General Meeting. In the event that Resolution 1 is not passed at the Extraordinary General Meeting, the VIT Managers will not proceed with the Scheme Meeting and the Scheme Resolution. This means that the Scheme cannot be implemented by the VIT Managers and the ESR-REIT Manager unless both Resolution 1 and the Scheme Resolution are passed at the Extraordinary General Meeting and the Scheme Meeting respectively.

For avoidance of doubt, Resolution 1 is not conditional on the Scheme Resolution being passed. In the event the VIT Trust Scheme Amendments are approved at the Extraordinary General Meeting, the VIT Trust Deeds will be amended to include the VIT Trust Scheme Amendments, whether or not the Scheme Resolution is passed.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

For the avoidance of doubt, Resolution 1 and the Scheme Resolution are not conditional on Resolution 2 (in respect of the VIT Facilitation Fee Amendments) being passed, and *vice versa*.

When the Scheme, with or without modifications, becomes effective, it will be binding on all Stapled Securityholders, whether or not they were present in person or by proxy or voted at the Scheme Meeting.

10.2 Convening of the Scheme Meeting

Pursuant to an application by the VIT Managers and the VI-REIT Trustee made under Order 80 of the Rules of Court, and an order of the Court dated 3 July 2018 (the "**Scheme Meeting Court Order**"), the Court has ordered, amongst other things, that:

(a) the VIT Managers and the VI-REIT Trustee are granted liberty to convene the Scheme Meeting within four (4) months of the date of the Scheme Meeting Court Order for the purpose of considering and, if thought fit, approving, with or without modification (which modification can be made any time prior to and/or the Scheme Meeting), the Scheme;

(b) the Scheme Meeting shall be convened in the manner set out in Appendix U, or in such other manner as the Court may order;

(c) in the event the Trust Scheme is approved by a majority in number of the Stapled Securityholders representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting, the VIT Managers and the VI-REIT Trustee are granted liberty to apply for the Court's approval of the Trust Scheme under Order 80 of the Rules of Court, with such modifications as are approved at the Scheme Meeting (if any); and

(d) each of the VIT Managers, the VI-REIT Trustee and any Stapled Securityholder shall have liberty to apply for further or other directions.

10.3 Notice

The notice of the Scheme Meeting is set out in pages W-1 to W-4 of this Scheme Document. You are requested to take note of the date, time and place of the Scheme Meeting.

11. IMPLEMENTATION OF THE SCHEME

11.1 Application to Court for Sanction

Upon receipt of the approval by the requisite majority of Stapled Securityholders (as stated in Paragraph 6.1 above) present and voting, either in person or by proxy, at the Scheme Meeting, an application will be made to the Court by the VIT Managers for the Scheme Court Order.

11.2 Procedure for Implementation

If the requisite majority of Stapled Securityholders approve Resolution 1 at the Extraordinary General Meeting and the Scheme Resolution at the Scheme Meeting and the Court sanctions the Scheme by granting the Scheme Court Order, the ESR-REIT Manager and the VIT Managers will (subject to the Scheme Conditions having been satisfied or, as the case may be, waived in accordance with the Implementation Agreement) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

(a) the Stapled Securities will be transferred to the ESR-REIT Trustee as follows:

(i) in the case of Entitled Stapled Securityholders (not being Depositors), the VIT Managers shall authorise any person to execute or effect on behalf of all such Entitled Stapled Securityholders an instrument or instruction of transfer of all the Stapled Securities held by such Entitled Stapled Securityholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Stapled Securityholder; and

(ii) in the case of the Entitled Stapled Securityholders (being Depositors), the VIT Managers shall instruct CDP, for and on behalf of such Entitled Stapled Securityholders, to debit, not later than seven (7) Business Days after the Effective Date, all of the Stapled Securities standing to the credit of the Securities Account(s) of such Entitled Stapled Securityholders and credit all of such Stapled Securities to the Securities Account(s) of the ESR-REIT Trustee (as trustee of ESR-REIT);

(b) from the Effective Date, all existing confirmation notes relating to the Stapled Securities held by the Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby;

(c) the Entitled Stapled Securityholders (not being Depositors) are required to forward their existing confirmation notes relating to their Stapled Securities to the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and

(d) the ESR-REIT Manager shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Paragraph 11.2(a) above, make payment of the Scheme Consideration in the manner set out in Paragraph 11.3 of this Letter to Stapled Securityholders.

11.3 The Scheme Consideration

(a) The Cash Consideration

(i) The ESR-REIT Manager shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Paragraph 11.2(a) above:

(A) Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP

pay each Entitled Stapled Securityholder (not being a Depositor) by sending a cheque for the Cash Consideration payable to and made out in

favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders.

(B) Entitled Stapled Securityholders whose Stapled Securities are deposited with the CDP

pay each Entitled Stapled Securityholder (being a Depositor) by making payment of the Cash Consideration payable to such Entitled Stapled Securityholder to CDP. CDP shall:

(I) in the case of an Entitled Stapled Securityholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Cash Consideration payable to such Entitled Stapled Securityholder, to the designated bank account of such Entitled Stapled Securityholder; and

(II) in the case of an Entitled Stapled Securityholder (being a Depositor) who has not registered for CDP's direct crediting service, send to such Entitled Stapled Securityholder, by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date regardless of whether such Entitled Stapled Securityholder holds the Stapled Securities as custodian or nominee and at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholder, to the first named Entitled Stapled Securityholder by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholder, a cheque for the payment of such Cash Consideration made out in favour of such Entitled Stapled Securityholder.

(ii) On and after the day being six (6) calendar months after the posting of such cheques relating to the Cash Consideration, the ESR-REIT Manager shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the ESR-REIT Manager's name with a licensed bank in Singapore selected by the ESR-REIT Manager.

(iii) The ESR-REIT Manager or its successor entities shall hold such moneys until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Paragraph 11.3(a)(ii) to persons who satisfy the ESR-REIT Manager or its successor entities that they are respectively entitled thereto and that the cheques referred to in Paragraph 11.3(a)(i) for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the ESR-REIT Manager hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Paragraph 11.3(a)(iii).

(iv) On the expiry of six (6) years from the Effective Date, the ESR-REIT Manager shall be released from any further obligation to make any payments of the Cash Consideration under this Scheme.

(b) The Consideration Units

(i) The ESR-REIT Manager shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Paragraph 11.2(a):

(A) *Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP*

deliver the confirmation notes for the relevant number of Consideration Units to each Entitled Stapled Securityholder (not being a Depositor) by sending to such Entitled Stapled Securityholder the same by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders; and

(B) *Entitled Stapled Securityholders whose Stapled Securities are deposited with CDP*

deliver the confirmation notes for the relevant number of Consideration Units to each Entitled Stapled Securityholder (being a Depositor) by sending the same to CDP. CDP shall send to such Entitled Stapled Securityholder, by ordinary post at his address as appearing in the Depository Register at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post at his address as appearing in the Depository Register at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders, a statement showing the number of Consideration Units credited to his Securities Account.

(ii) All mandates or other instructions given by any Entitled Stapled Securityholder relating to the payment of distributions by VIT or relating to notices, annual report or other communications in force on the Record Date shall, unless and until specifically revoked in writing, be deemed on and from the Effective Date to be an effective mandate or, as the case may be, an effective instruction in respect of his corresponding holding of Consideration Units.

(c) The despatch of payment of the Cash Consideration and delivery of confirmation notes by the ESR-REIT Manager to each Entitled Stapled Securityholder's address and/or CDP (as the case may be) in accordance with this Paragraph 11.3 shall be deemed as a good discharge to ESR-REIT, ESR-REIT Manager and CDP of the Cash Consideration and of the Consideration Units represented thereby.

(d) From the Effective Date, each existing confirmation note representing a former holding of Stapled Securities by Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby. The Entitled Stapled Securities (not being Depositors) shall forward their existing confirmation notes relating to their Stapled Securities to the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation.

12. CLOSURE OF BOOKS

12.1 Notice of Books Closure

Subject to the approval by the requisite majority of Stapled Securityholders (as stated in Paragraph 10.1 above) present and voting, either in person or by proxy, at the Scheme Meeting, and the sanction of the Scheme by the Court, notice of the Books Closure Date will be given in due course for the purposes of determining the entitlements of the Stapled Securityholders to the Scheme Consideration under the Scheme.

The Books Closure Date is expected to be on 28 September 2018 at 5.00 p.m.. The VIT Managers will make a further announcement in due course on the Books Closure Date.

12.2 Books Closure

No transfer of the Stapled Securities where the confirmation notes relating thereto are not deposited with CDP may be effected after the Books Closure Date, unless such transfer is made pursuant to the Scheme.

12.3 Trading in Stapled Securities on the SGX-ST

The Scheme is tentatively scheduled to become effective and binding on or about **3 October 2018** and accordingly (assuming the Scheme becomes effective and binding on **3 October 2018**), the Stapled Securities are expected to be delisted and removed from the Official List of the SGX-ST after the settlement of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Stapled Securities will cease to be traded on the SGX-ST on or about **25 September 2018** at 5.00 p.m., being three (3) Market Days before the expected Books Closure Date on **28 September 2018** at **5.00 p.m.**.

Stapled Securityholders (not being Depositors) who wish to trade in their Stapled Securities on the SGX-ST are required to deposit with CDP their confirmation notes relating to their Stapled Securities, together with the duly executed instruments of transfer in favour of CDP, fifteen (15) Market Days prior to the tentative last day for trading of the Stapled Securities.

13. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Scheme becoming effective, the following settlement and registration procedures will apply:

(a) Stapled Securityholders whose Stapled Securities are not deposited with CDP

Entitlements of Entitled Stapled Securityholders (not being depositors) under the Scheme will be determined on the basis of their holdings of Stapled Securities appearing in the Register of Stapled Securityholders on the Books Closure Date. Stapled Securityholders (not being Depositors) who have not already registered their holdings of the Stapled Securities are requested to take the necessary action to ensure that the Stapled Securities owned by them are registered in their names or in the names of their nominees by the Books Closure Date.

Entitled Stapled Securityholders (not being Depositors) who have not already done so are requested to take the necessary action to ensure that the Stapled Securities owned by them are registered in their names with the Stapled Security Registrar by 5.00 p.m. on the Books Closure Date.

From the Effective Date, each existing confirmation note representing a former holding of Stapled Securities by the Entitled Stapled Securityholder (not being Depositors) will cease to be evidence of title to the Stapled Securities represented thereby.

Within seven (7) Business Days of the Effective Date, the ESR-REIT Manager shall make payment of the Scheme Consideration to each Entitled Stapled Securityholder (not being a Depositor) based on his holding of the Stapled Securities as at 5.00 p.m. on the Books Closure Date.

(b) Stapled Securityholders whose Stapled Securities are deposited with CDP

Entitlements of Entitled Stapled Securityholders (being Depositors) under the Scheme will be determined on the basis of the number of Stapled Securities standing to the credit of their Securities Accounts at 5.00 p.m. on the Books Closure Date.

Entitled Stapled Securityholders who have not already done so are requested to take the necessary action to ensure that the Stapled Securities owned by them are credited to their Securities Accounts by 5.00 p.m. on the Books Closure Date.

Following the Effective date, CDP will debit all the Stapled Securities standing to the credit of each relevant Securities Account of each Entitled Stapled Securityholder (being a Depositor) and credit all of such Stapled Securities to the Securities Account of the ESR-REIT Trustee (as trustee of ESR-REIT), within seven (7) Business Days of the Effective Date and prior to delisting of VIT.

Within seven (7) Business Days of the Effective Date, CDP shall, based on the number of Stapled Securities standing to the credit of the Securities Account of the Entitled Stapled Securityholders (being Depositors) as at 5.00 p.m. on the Books Closure Date:

(i) make payment of the Cash Consideration to the Entitled Stapled Securityholders in such manner as the Entitled Stapled Securityholders have agreed with CDP for payment of any cash distribution; and

(ii) credit the Securities Accounts of the Entitled Stapled Securityholders with the appropriate number of Consideration Units.

14. OVERSEAS STAPLED SECURITYHOLDERS

14.1 Overseas Stapled Securityholders

The applicability of the Scheme to Stapled Securityholders whose addresses are outside Singapore, as shown on the Register of Stapled Securityholders, or as the case may be, in the records of CDP (each, an "**Overseas Stapled Securityholder**"), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Stapled Securityholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Overseas Stapled Securityholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.

14.2 Copies of Scheme Document

Where there are potential restrictions on sending this Scheme Document to any overseas jurisdiction, the ESR-REIT Manager and the VIT Managers reserve the right not to send such documents to the Stapled Securityholders in such overseas jurisdiction.

For the avoidance of doubt, the Scheme is being proposed to all the Stapled Securityholders (including the Overseas Stapled Securityholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Stapled Securityholders (including Overseas Stapled Securityholders) may obtain copies of this Scheme Document and any related documents during normal business hours and up to the date of the Extraordinary General Meeting and the Scheme Meeting from the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Stapled Securityholder may write in to the Stapled Security Registrar at the same address to request for this Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Extraordinary General Meeting and the Scheme Meeting.

It is the responsibility of any Overseas Stapled Securityholder who wishes to request for this Scheme Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents or participating in the Scheme, the Overseas Stapled Securityholder represents and warrants to the ESR-REIT Manager and the VIT Managers that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Stapled Securityholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

14.3 Notice

The ESR-REIT Manager and the VIT Managers each reserves the right to notify any matter, including the fact that the Scheme has been proposed, to any or all Stapled Securityholders (including Overseas Stapled Securityholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Stapled Securityholder (including any Overseas Stapled Securityholder) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as VIT remains listed on the SGX-ST, the VIT Managers will continue to notify all Stapled Securityholders (including Overseas Stapled Securityholders) of any matter relating to the Scheme by announcement via SGXNET.

Notwithstanding that such Overseas Stapled Securityholder may not receive the notice of the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective.

14.4 Foreign Jurisdiction

It is the responsibility of any Overseas Stapled Securityholder who wishes to participate in the Scheme to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In participating in the Scheme, the Overseas Stapled Securityholder represents and warrants ESR-REIT, the ESR-REIT Manager, VIT and the VIT Managers that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Stapled Securityholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

15. ACTION TO BE TAKEN BY STAPLED SECURITYHOLDERS

A Stapled Securityholder who has Stapled Securities entered against its name in (i) the Register of Stapled Securityholders; or (ii) the Depository Register as at the cut-off time being 48 hours prior to the time of the Extraordinary General Meeting and the time of the Scheme Meeting, as the case may be (being the time at which the name of the Stapled Securityholder must appear in the Register of Stapled Securityholders or the Depository Register, as having Stapled Securities entered against its name in the said Registers), shall be entitled to attend and vote, in person or by proxy, at the Extraordinary General Meeting and the Scheme Meeting respectively.

A Stapled Securityholder who is not a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting may appoint not more than two (2) proxies to attend and vote at the Extraordinary General Meeting in his/her stead. Where a Stapled Securityholder who is not a relevant intermediary appoints two (2) proxies to attend and vote at the Extraordinary General Meeting and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies for the Extraordinary General Meeting. A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Extraordinary General Meeting in its stead. Where such Stapled Securityholder appoints more than two (2) proxies, the number and class of Stapled Securities in relation to which each proxy has been appointed shall be specified in the Proxy Form (EGM).

A Stapled Securityholder may appoint one (and not more than one) proxy to attend and vote at the Scheme Meeting and may only cast all the votes it uses at the Scheme Meeting in one way, namely either for or against the Scheme Resolution proposed at the Scheme Meeting.

Stapled Securityholders who are unable to attend the Extraordinary General Meeting and/or the Scheme Meeting are requested to complete **both** the enclosed Proxy Form (EGM) and/or Proxy Form (Scheme Meeting) in accordance with the instructions printed thereon and lodge them with the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for each of the Extraordinary General Meeting and the Scheme Meeting.

16. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors who wish to attend the Extraordinary General Meeting and/or the Scheme Meeting are advised to consult their respective CPF Agent Banks and SRS Agent Banks for further information and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

17. INDEPENDENT FINANCIAL ADVISER TO THE VIT INDEPENDENT DIRECTORS AND TO THE VI-REIT TRUSTEE

17.1 APPOINTMENT OF VIT IFA

KPMG Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser to:

(a) advise the VIT Independent Directors (Scheme) and the VI-REIT Trustee on the terms of the Scheme, in compliance with the provisions of the Code;

(b) advise the VIT Independent Directors (VIT Facilitation Fee) and the VI-REIT Trustee whether the VIT Facilitation Fee Amendments are on normal commercial terms and not prejudicial to the interests of VIT and its minority Stapled Securityholders; and

(c) advise the VIT Independent Directors (Scheme) and the VI-REIT Trustee whether the VI-REIT Manager Transaction is at or below the fair market value of the VI-REIT Manager.

Stapled Securityholders should consider carefully the recommendation of the VIT Independent Directors (Scheme) and the advice of the VIT IFA to the VIT Independent Directors (Scheme) and to the VI-REIT Trustee before deciding whether or not to vote in favour of the Scheme.

Stapled Securityholders should also consider carefully the recommendation of the VIT Independent Directors (VIT Facilitation Fee) and the advice of the VIT IFA to the VIT Independent Directors (VIT Facilitation Fee) and to the VI-REIT Trustee before deciding whether or not to vote in favour of the VIT Facilitation Fee Amendments.

The advice of the VIT IFA in relation to the Scheme and the VIT Facilitation Fee Amendments is set out in the VIT IFA Letter (Scheme) and the VIT IFA Letter (VIT Facilitation Fee) as set out in Appendix A and Appendix B to this Scheme Document respectively.

The advice of the VIT IFA in relation to the VI-REIT Manager Transaction is also set out in the VIT IFA Letter (VI-REIT Manager Transaction) as set out in Appendix C to this Scheme Document.

17.2 VIT IFA Opinion on the Scheme

(a) Factors Taken into Consideration by the VIT IFA

In arriving at its opinion on the Scheme, the VIT IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Stapled Securityholders should read the following extract in conjunction with, and in the context of, the VIT IFA Letter (Scheme) in its entirety as set out in Appendix A to this Scheme Document.

"*In arriving at our opinion to the VIT Independent Directors (Scheme) and the VI-REIT Trustee, we have carefully considered the financial information that has been made available to us, and the above factors set forth in this letter including, amongst other things, the following:*

Rationale

- *The rationale is considered to be reasonable.*

Relative historical price performance, Distribution Yields and Price-to-Book ratios of VIT and ESR-REIT

- *The Exchange Ratio of 1.778x is at a premium over the exchange ratios computed based on the respective VWAP trading of VIT Stapled Securities and ESR-REIT Units, on the Last Trading Day prior to the Joint Announcement Date, as well as across the one-month, three-month, six-month, 12-month, and 18-month period.*

- *The Exchange Ratio of 1.778x is at a premium over the exchange ratio computed based on the respective trading of VIT Stapled Securities and ESR-REIT Units as at the Latest Practicable Date.*

- *The Exchange Ratio of 1.778x is at a premium over the exchange ratios computed based on the respective book values of VIT and ESR-REIT relative to the median valuation Price-to-Book ratios of the VIT and ESR-REIT Comparable Trusts, the VIT and ESR-REIT Comparable Mid Capitalisation Trusts and the VIT and ESR-REIT Comparable Large Capitalisation Trusts.*

- *The Exchange Ratio of 1.778x is at a discount to the exchange ratios computed based on the respective distribution yields of VIT and ESR-REIT relative to the median valuation Distribution Yield ratios of the VIT and ESR-REIT Comparable Trusts, the VIT and ESR-REIT Comparable Mid Capitalisation Trusts and the VIT and ESR-REIT Comparable Large Capitalisation Trusts.*

Analysts' forecasts

- *The Target Price or Fair Value of VIT is S$0.90 and S$0.96 by OCBC Securities and Maybank Kim Eng respectively. We note that the mean target price is S$0.93, which is 3.13% lower than the Scheme Consideration; and*

- *The Target Price or Fair Value of ESR-REIT is S$0.62 and S$0.63 by CIMB and DBS respectively. We note that the mean target price is S$0.625, which is 15.74% higher than the Consideration Unit Theoretical Issue Price.*

Hyflux Membrane Manufacturing (S) Pte Ltd

- *Hyflux MM has applied to the High Court of the Republic of Singapore to commence a court supervised process to reorganise their liabilities and businesses. Should Hyflux MM be unable to satisfy its obligations under its existing lease arrangements, financial performance of the property may be affected as mentioned in Section 4.3.5 of this letter.*

No other offers

- *We understand from the VIT Managers that, as at the Latest Practicable Date, no other offer has been made for VIT."*

(b) Advice of the VIT IFA

After having regard to the considerations set out in the VIT IFA Letter (Scheme), and based on the information available to the VIT IFA as at the Latest Practicable Date, the VIT IFA has given its advice in respect of the Scheme to the VIT Independent Directors (Scheme) and the VI-REIT Trustee (an extract of which is reproduced in italics below).

Stapled Securityholders should read the following extract in conjunction with, and in the context of, the VIT IFA Letter (Scheme) in its entirety as set out in Appendix A to this Scheme Document.

"*Having carefully considered the information available to us and our analysis set out above, we are of the view that the Scheme is fair and reasonable from a financial point of view.*"

17.3 VIT IFA Opinion on the VIT Facilitation Fee Amendments

(a) Factors Taken into Consideration by the VIT IFA

In arriving at its opinion on the VIT Facilitation Fee Amendments, the VIT IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Stapled Securityholders should read the following extract in conjunction with, and in the context of, the VIT IFA Letter (VIT Facilitation Fee) in its entirety as set out in Appendix B to this Scheme Document.

"*In arriving at our opinion in relation to the VIT Facilitation Fee Amendments, we have taken into account the following key factors:*

4.1 Rationale

"Subject to approval from the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting pursuant to the VI-REIT Trust Deed, the VI-REIT Manager intends to enter into a Supplemental Trust Deed with the VI-REIT Trustee to amend the VI-REIT Trust Deed so that the VIT Facilitation Fee of 0.25% of the Scheme Consideration (amounting to approximately S$2.3 million) may be paid by VIT to the VI-REIT Manager if the Scheme becomes effective in accordance with its terms.

The Merger and the Scheme are generally outside the scope of the VI-REIT Manager's mandate, which is to manage VI-REIT and its business. At the time of the establishment of VI-REIT, a transaction in the nature of the Merger and the Scheme was not contemplated, and as a consequence, under the VI-REIT Trust Deed, no fee was included to be payable to the VI-REIT Manager in the event that a transaction in the nature of the Merger and the Scheme was effected in respect of VI-REIT.

Accordingly, in view of the significant efforts required and the costs and expenses incurred by the VI-REIT Manager in negotiating and facilitating the Merger and the Scheme which are not reimbursed by VI-REIT to the VI-REIT Manager, it is proposed that in the event the Merger and the Scheme is effected, the VI-REIT Manager be paid the VIT Facilitation Fee in cash in recognition of the services that the VI-REIT Manager renders to VIT in connection with the Merger and the Scheme."

The rationale has been reviewed and is considered to be reasonable.

4.2 Current fee structure

The following fees are applicable to VI-REIT:

Company	Base and Performance Fee	Acquisition and Divestment Fee (% of acquisition or sale price)	Development/Project Management ("DM"/"PM") Fee	Other Fees
Viva Industrial Trust	***Base Fee:*** *Not exceeding the rate of 10.0% per annum of the Distributable Income* ***Performance Fee:*** *25.0% per annum of the difference in Distribution per Stapled Security of VIT in a financial year with its preceding financial year multiplied by the weighted average number of stapled securities in issue for such financial year*	***Acquisition Fee:*** *1.0%* ***Divestment Fee:*** *0.5%*	***DM Fee:*** *3.0% of total project costs incurred in a development project* ***PM Fee:*** *3.0% of construction costs, where the construction costs are S$2.0m or less; 2.0% of construction costs, where the construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, where the construction costs exceed S$20.0m but do not exceed S$50.0m; and 1.4% of construction costs, where the construction costs exceed S$50.0m*	***Property Management Fee:*** *2.0% per annum of the gross revenue of each property (except for the hotel leased premises of UE BizHub EAST)* ***Lease Management Fee:*** *1.0% per annum of the gross revenue of each property* ***Marketing Services Fee:*** *Up to 2.4 months' gross rent depending of the type of tenancy (new or renewal), whether a third party secures the tenancy and the tenure of the tenancy* ***Property Tax Services Fee:*** *Between 5.0% and 7.5% of the property tax savings depending on the property tax savings achieved*

Source: Company Annual Report

We understand from the VIT Managers that the Merger transaction to be effected pursuant to the Scheme will not qualify as divestment under the current agreement and accordingly, no 'divestment fee' would be payable.

*We have reviewed the fee arrangements of selected entities listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"), which in our view, are broadly comparable to VI-REIT ("**VI-REIT Comparable Trusts**").*

Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/Project Management ("DM"/"PM") Fee	Other Fees
ESR-REIT	***Base Fee:*** *0.5% per annum of the value of the Deposited Property* ***Performance Fee:*** *25.0% of the growth in DPU for such financial year multiplied by the weighted average number of units in issue for such financial year*	***Acquisition Fee:*** *1.0%* ***Divestment Fee:*** *0.5%*	***PM Fee:*** *3.0% of construction costs, if construction costs are S$2.0m or less; 2.0% of construction costs, if construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, if construction costs exceed S$20.0m but do not exceed S$50.0m; and mutually agreed by the manager and the property manager and the trustee if the construction costs exceed S$50.0m*	***Property Management Fee:*** *2.0% per annum of the gross revenue of the relevant property* ***Lease Management Fee:*** *1.0% per annum of the gross revenue of the relevant property* ***Marketing Services Commission:*** *Between half and two month's gross rent depending of the type (new or renewal) and tenure of the tenancy* ***Property Tax Services Fee:*** *Between 5.0% and 7.5% of the property tax savings depending on the property tax savings achieved*

Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/Project Management ("DM"/"PM") Fee	Other Fees
AIMS AMP Capital Industrial REIT	***Base Fee:*** *0.5% per annum of the value of the Deposited Property* ***Performance Fee:*** *0.1% per annum of the value of the Deposited Property, if annual DPU growth exceeds 2.5%; and 0.2% per annum if annual DPU growth exceeds 5.0%*	***Acquisition Fee:*** *1.0%* ***Divestment Fee:*** *0.5%*	***PM Fee:*** *3.0% of construction costs, if construction costs are S$2.0m or less; 2.0% of construction costs, if construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, if construction costs exceed S$20.0m but do not exceed S$50.0m; and fees mutually agreed by the manager, property manager and the trustee if the construction costs exceed S$50.0m*	***Property Management Fee:*** *2.0% per annum of the rental income of each of the relevant properties* ***Lease Management Fee:*** *1.0% per annum of the rental income of each of the relevant properties* ***Marketing Services Commission:*** *Up to 2.4 months' gross rent depending of the type (new or renewal), type of agent securing the tenancy and the tenure of the tenancy* ***Property Tax Services Fee:*** *Between 5.0% and 7.5% of the property tax savings depending on the property tax savings achieved*
Cache Logistics Trust	***Base Fee:*** *0.5% per annum of the value of the consolidated assets* ***Performance Fee:*** *1.5% per annum of the net property income*	***Acquisition Fee:*** *1.0%* ***Divestment Fee:*** *0.5%*	*Not available*	***Property Management Fee:*** *2.0% per annum of gross revenue of each property (For Singapore and China properties)* ***Lease Management Fee:*** *1.0% per annum of gross revenue for each property (For Singapore and China properties)* ***Property and Lease Management Fee:*** *2.0% pre annum of net rental income of each property (For Australian properties)*
Soilbuild Business Space REIT	***Base Fee:*** *Not exceeding 10.0% per annum of the annual distributable income of the Trust* ***Performance Fee:*** *25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year multiplied by the weighted average number of Units in issue for such financial year*	***Acquisition Fee:*** *1.0%* ***Divestment Fee:*** *0.5%*	***DM Fee:*** *3.0% of the total project costs incurred in development projects* ***PM Fee:*** *3.0% of construction costs, if construction costs are S$2.0m or less; 2.15% of construction costs, if construction costs exceed S$2.0m but do not exceed S$12.0m; 1.45% of construction costs, if construction costs exceed S$12.0m but do not exceed S$40.0m; 1.4% of construction costs, if construction costs exceed S$40.0m but do not exceed S$70.0m; 1.35% of construction costs, if construction costs exceed S$70.0m but do not exceed S$100.0m; and fees mutually agreed by the manager, property manager and the trustee if the construction costs exceed S$100.0m*	***Lease Management Fee:*** *1.0% per annum of the gross revenue of the relevant property* ***Lease Renewal Commission:*** *Up to 1.5 month's gross rent depending of the tenure of the tenancy* ***Property Management Fees:*** *2.0% per annum of gross revenue of each property* ***Marketing Services Commissions Fee for new leases:*** *Up to three months' gross rent depending on the tenure of the tenancy*

Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/Project Management ("DM"/"PM") Fee	Other Fees
Ascendas Real Estate Investment Trust	***Base Fee:*** *0.5% per annum of the Deposited Property* ***Performance Fee:*** *(i) 0.1% per annum of the Deposited Property, if the annual growth in DPU in a given financial year exceeds 2.5%; and (ii) an additional 0.1% per annum of the Deposited Property, provided that the growth in DPU in a given financial year exceeds 5.0%*	***Acquisition Fee:*** *1.0%* ***Divestment Fee:*** *0.5%*	***DM Fee:*** *Not exceeding 3.0% of the total project costs incurred in development projects* ***PM Fee:*** *3.0% of construction costs, if construction costs are S$2.0m or less; 2.15% of construction costs, if construction costs exceed S$2.0m but do not exceed S$12.0m; 1.45% of construction costs, if construction costs exceed S$12.0m but do not exceed S$40.0m; 1.4% of construction costs, if construction costs exceed S$40.0m but do not exceed S$70.0m; 1.35% of construction costs, if construction costs exceed S$70.0m but do not exceed S$100.0m; and fees mutually agreed by the manager, property manager and the trustee if the construction costs exceed S$100.0m*	***Property Management Services Fee:*** *2.0% per annum of adjusted gross revenue of each property* ***Marketing Services Commissions for new leases:*** *Up to two months' gross rent depending on the tenure of the tenancy* ***Energy Audit Services Fee:*** *Up to a maximum of S$40,000 per property depending on the amount of cost savings achieved* ***Car Park Management Services Fee:*** *S$2.16m per annum and 40.0% of hourly parking collections for such car parks* ***Lease Management Fees:*** *1.0% per annum of the adjusted gross revenue of each property* ***Lease Renewal Fees:*** *Up to one month's gross rent* ***New Tenancy Fees:*** *Up to two months' gross rent* ***Property Tax Services Fee:*** *Between 5.0% and 7.5% of the property tax savings depending on the proposed annual value for the relevant property* ***Strategic Management Services Fee:*** *1.0% per annum of the adjusted gross revenue of each property (For Australia properties)*
Mapletree Industrial Trust	***Base Fee:*** *0.5% per annum of the value of* ***Deposited Property Performance Fee:*** *3.6% per annum of the net property income of Mapletree Industrial Trust*	***Acquisition Fee:*** *Not exceeding 1.0%* ***Divestment Fee:*** *Not exceeding 0.5%*	***DM Fee:*** *Not exceeding 3.0% of the total project costs incurred in a development project* ***PM Fee:*** *3.0% of construction costs, if construction costs are S$2.0m or less; 2.0% of construction costs, if construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, if construction costs exceed S$20.0m but do not exceed S$50.0m; and mutually agreed by the manager and the property manager and the trustee if the construction costs exceed S$50.0m*	***Property Management Services Fee:*** *Up to 2.0% per annum of gross revenue of each property* ***Lease Management Fee:*** *Up to 1.0% per annum of the gross revenue of the relevant property* ***Marketing Services Commission:*** *Up to 2.4 months' gross rent depending of the type of agent securing the tenancy and the tenure of the tenancy*

Source: Company Annual Report

We note that it is fairly typical for the REIT managers to have fee arrangements which include a base management fee, a performance fee, acquisition fee, divestment fee and in some instances, a developmental management fee.

The fee arrangements that we observed for VI-REIT Comparable Trusts, do not however include any specific reference to a facilitation fee.

4.3 Comparable transactions

We have sought to identify past instances wherein new management fee arrangements were proposed in broadly similar circumstances and have identified two examples:

1. *In 2012, Macquarie International Infrastructure Fund Limited ("**MIIFL**"), then listed on the SGX-ST, concluded that it would undertake a revised strategy with the view of divesting its businesses and winding up the company.*

   MIIFL proposed to amend its management agreement to be better aligned with its revised course of action by reducing its base management fee, removing its performance fee and introducing a success fee.

2. *In 2016, Saizen Real Estate Investment Trust ("**Saizen REIT**"), then listed on the SGX-ST, concluded that it would dispose of its entire property portfolio, following which Saizen REIT and its manager would cease to have any operating business.*

   The manager and trustee of Saizen REIT proposed to enter into a supplemental deed of trust to incorporate a fee in recognition of services that the manager would render in respect of the disposal of the entire property portfolio of Saizen REIT. The supplemental fee, which was 0.23% of the purchase consideration, was payable in addition to a divestment fee of 0.3% of the purchase consideration.

   Each real estate investment trust, business trust or fund has unique circumstances in relation to the fee arrangement with their managers, with different bases upon which certain fees are calculated. This presents difficulties in establishing a comparative basis with the proposed VIT Facilitation Fee Amendments. Attempts to compare these fees arrangements would be subject to a number of assumptions, several of which are subjective in nature.

We note that in the forgoing examples the intention of the amendments to the fee arrangements was to allow the respective managers to, inter alia, perform an additional scope of work in relation to the divestment of existing assets or to align with the strategy.

4.4 VIT Facilitation Fee versus divestment fee

We note that the VIT Facilitation Fee of 0.25% of the Scheme Consideration is lower than the 0.50% asset divestment fee which would be applicable under the existing arrangements had the Merger been effected via an asset disposal instead of a Scheme.

The VI-REIT Manager has pursued a course of action despite it resulting in the forgoing of the 0.50% asset divestment fee. The VI-REIT Manager has pursued this course of action despite having to provide, in its opinion, a quantum of additional work greater than what would have been required in divesting its assets.

4.5 Payment of VIT Facilitation Fee

For the avoidance of doubt, subject to the approval by the Stapled Securityholders of the VIT Facilitation Fee Amendments, the VIT Facilitation Fee will be paid by VIT to the VI-REIT Manager and there will not be any reduction to the Scheme Consideration. The VIT Facilitation Fee will be made in cash."

(b) Advice of the VIT IFA

After having regard to the considerations set out in the VIT IFA Letter (VIT Facilitation Fee), and based on the information available to the VIT IFA as at the Latest Practicable Date, the VIT IFA has given its advice in relation to the VIT Facilitation Fee Amendments to the VIT Independent Directors (VIT Facilitation Fee) and to the VI-REIT Trustee (an extract of which is reproduced in italics below).

Stapled Securityholders should read the following extract in conjunction with, and in the context of, the VIT IFA Letter (VIT Facilitation Fee) in its entirety as set out in Appendix B to this Scheme Document.

"*Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the VIT Facilitation Fee Amendments are on normal commercial terms and are not prejudicial to VIT and its minority Stapled Securityholders.*"

17.4 VIT IFA Opinion on the VI-REIT Manager Transaction

(a) Factors Taken into Consideration by the VIT IFA

In arriving at its opinion on the VI-REIT Manager Transaction, the VIT IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Stapled Securityholders should read the following extract in conjunction with, and in the context of, the VIT IFA Letter (VI-REIT Manager Transaction) in its entirety as set out in Appendix C to this Scheme Document.

"*In arriving at our opinion in relation to whether the VI-REIT Manager Transaction is priced at a level higher than the fair market value of the VI-REIT Manager, we have taken into account the following key factors:*

4.1 Financial terms of the VI-REIT Manager Transaction

In assessing whether the VI-REIT Manager Transaction is priced at a level higher than the fair market value of the VI-REIT Manager, we have considered the following:

*(i) the benchmarking comparison of the Purchase Consideration with public information available on the traded prices of selected real estate fund management companies which are broadly comparable to the VI-REIT Manager (the "**Comparable Companies**"); and*

*(i) valuation multiples of acquisitions of selected real estate fund management companies ("**Precedent Transactions**").*

We wish to highlight that unless specified otherwise, the underlying financial and market data used in our analysis, including securities prices and foreign exchange rates have been extracted from S&P Capital IQ, SGXNET and/or other public filings as at the Latest Practicable Date, or provided by the VIT Managers, where relevant. KPMG Corporate Finance makes no representation or warranties, express or implied, as to the accuracy or completeness of such information save that where applicable, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Valuation Ratios

We have applied the following valuation multiples in our analysis:

*(i) **EV/AUM**: The "**EV/AUM**" or "**enterprise value to assets under management**" percentage illustrates the enterprise value of the company relative to its assets under management ("**AUM**").*

*(ii) **EV/EBITDA**: "**EV**" or "**enterprise value**" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents.*

*"**EBITDA**" stands for earnings before interest, tax, depreciation and amortisation expenses.*

The EV/EBITDA multiple illustrates the market value of a company's business relative to its pre-tax operating cash flow performance, without regard to the company's capital structure.

Benchmarking the Purchase Consideration against Comparable Companies

For the purpose of comparison, we have assessed the reasonableness of the Purchase Consideration for the VI-REIT Manager Transaction by comparing the valuation multiples for the VI-REIT Manager Transaction implied by the Purchase Consideration with those of the selected Comparable Companies.

We wish to highlight that the Comparable Companies are not exhaustive and may differ from the VI-REIT Manager in terms of, inter alia, size of operations, composition of 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. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

The valuation multiples of the VI-REIT Manager (as implied by the Purchase Consideration) and the Comparable Companies set out below are based on their respective last transacted security prices as at the Latest Practicable Date.

A comparison of the VI-REIT Manager Transaction against the Comparable Companies is set out below.

Comparable Companies				
Company	**Business Description**	**Market Capitalisation (S$ m)**	**EV/AUM**	**EV/EBITDA**
Charter Hall Group	Charter Hall Group owns and manages 332 commer properties around Australia, including office buildings, supermarket anchored retail centres, and a rapidly growing stable of industrial assets, on behalf of institutional, wholesale and retail investors. It is listed Australia.	3,147.0	13.95%	12.10x
Cohen & Steers, Inc.	Cohen & Steers is a global investment manager specializing in liquid real assets, including real estate securities, listed infrastructure, commodities and natu resource equities, as well as preferred securities and income solutions. It is listed in the United States of America.	2,657.1	3.03%	11.01x
Kenedix, Inc.	Kenedix, Inc. specialises in the real estate fund busir Managing private funds for its clients - pension funds domestic institutional investors, overseas investors, a REITs. It provides diversified investment opportunitie and quality asset management services in the Japan real estate market to investors around the world. It is listed in Japan.	1,798.7	8.99%	14.04x
Folkestone Limited	Folkestone Limited is a real estate funds manager ar developer providing real estate wealth solutions. On a portfolio level, it actively acquires, manages, and re-balances its portfolio of assets to deliver sound inves returns; while on the asset level, it adopts a strategic active approach in managing assets that create long value. It is listed in Australia.	167.3	10.04%	6.73x
Augusta Capital Limited	Augusta Capital Limited is a property funds managen specialist, managing assets involving office, retail and industrial properties throughout New Zealand and Australia. Besides solely buying assets, it also helps t fund and/or develop them - targeting opportunities wi robust, long-term investment fundamentals spanning multiple sectors of the economy. It is listed in New Zealand.	89.5	7.16%	12.66x
Viva Industrial Trust Management Pte. Ltd.		62.0	4.19%	9.64x
Min			3.03%	6.73x
Median			**8.99%**	**12.10x**
Mean			8.63%	11.31x
Max			13.95%	14.04x

Sources: S&P Capital IQ, Annual Reports, Company websites & latest publicly available financial information of the respective Comparable Companies

Based on the above, we note that:

(i) the EV/AUM of the VI-REIT Manager implied by the Purchase Consideration is 4.19%, which is lower than the median EV/AUM of 8.99% for the Comparable Companies; and

(ii) the EV/EBITDA multiple of the VI-REIT Manager implied by the Purchase Consideration is 9.64x, which is lower than the median EV/EBITDA multiple of 12.10x for the Comparable Companies.

Precedent Transactions Analysis

For the purpose of comparison, we have assessed the reasonableness of the Purchase Consideration for the VI-REIT Manager Transaction by comparing the valuation multiples for the VI-REIT Manager Transaction implied by the Purchase Consideration with those of the Precedent Transactions.

We wish to highlight that the Precedent Transactions are not exhaustive and may differ from the VI-REIT Manager Transaction and the VI-REIT Manager in terms of, inter alia, market capitalisation, size of operations, composition of 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. Hence, the comparison of the VI-REIT Manager Transaction with the Precedent Transactions set out below is for illustration purpose only.

A comparison of the VI-REIT Manager Transaction against the Precedent Transactions is set out below.

			Precedent Transactions				
Announcement Date	**Target Entity**	**Acquiring Entity**	**Transaction Value (S$ m)**	**Stake**	**AUM (S$ m)**	**Implied EV/AUM**	**Implied EV/EBITDA**
8-Nov-16	ARA Asset Management Limited	Athena Investment Company (Cayman) Limited	954.4	48.8%	$ 35,600.00	5.00%	17.50x
12-Jun-16	Croesus Retail Asset Management Pte. Ltd.	N/A - Internalisation	50.0	100.0%	$ 1,533.67	3.50%	11.70x
28-Oct-13	ARA Asset Management Limited	The Straits Trading Company Limited	294.4	20.1%	$ 23,400.00	6.33%	18.24x
19-May-11	Lippo-Mapletree Indonesia Retail Trust Management Ltd	Penninsula Investment Group (Lippo Group)	31.9	40.0%	$ 1,248.00	6.39%	15.50x
19-Apr-10	YTL Pacific Star REIT Management Holdings Pte Ltd	YTL Corporation	40.0	50.0%	$ 2,397.40	2.93%	10.53x
28-Oct-08	Prime REIT Management Holdings Pte Ltd	YTL Corporation	62.0	50.0%	$ 2,293.30	5.12%	27.79x
8-Jul-08	Allco (Singapore) Limited	Frasers Centrepoint Limited	76.0	100.0%	$ 2,045.50	3.68%	9.12x
9-Jun-08	Cambridge Industrial Trust Management Ltd	Oxley Group	7.4	20.0%	$ 970.80	3.31%	9.17x
12-Mar-08	Ascendas-MGM Funds Management Ltd	Ascendas Pte Ltd	110.0	40.0%	$ 3,400.00	7.91%	13.19x
20-Feb-08	Cambridge Real Estate Investment Management Ltd	Oxley Group	17.2	33.0%	$ 961.10	4.18%	9.70x
18-May-18	Viva Industrial Trust Management Pte. Ltd.	ESR Funds Management (S) Limited	62.0	100.0%	$ 1,284.00	4.19%	9.64x
Min						2.93%	9.12x
Median						**4.59%**	**12.45x**
Mean						4.84%	14.24x
Max						7.91%	27.79x

Sources: S&P Capital IQ, SGXNET and/or other public filings as at the Latest Practicable Date, or provided by the VIT Managers, where relevant

Based on the above, we note that:

(i) the EV/AUM of the VI-REIT Manager implied by the Purchase Consideration is 4.19%, which is lower than the median EV/AUM of 4.59% for the Precedent Transactions; and

(ii) the EV/EBITDA multiple of the VI-REIT Manager implied by the Purchase Consideration is 9.64x, which is lower than the median EV/EBITDA multiple of 12.45x for the Precedent Transactions.

For the purposes of assessing the Purchase Consideration, we have assumed the continuity of the VI-REIT Manager as the real estate investment trust manager of Viva Industrial Real Estate Investment Trust as at the Latest Practicable Date.

Additionally, we note that the VI-REIT Manager Transaction is conditional upon, inter alia, the Scheme having been approved by the Stapled Securityholders and coming into effect in accordance with its terms."

(b) Advice of the VIT IFA

After having regard to the considerations set out in the VIT IFA Letter (VI-REIT Manager Transaction), and based on the information available to the VIT IFA as at the Latest Practicable Date, the VIT IFA has given its advice in respect of the VI-REIT Manager Transaction to the VIT Independent Directors (Scheme) and the VI-REIT Trustee (an extract of which is reproduced in italics below).

Stapled Securityholders should read the following extract in conjunction with, and in the context of, the VIT IFA Letter (VI-REIT Manager Transaction) in its entirety as set out in Appendix C to this Scheme Document.

"*Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the VI-REIT Manager Transaction is not priced at a level higher than the fair market value of the VI-REIT Manager.*"

18. ABSTENTION FROM VOTING

18.1 Resolution 1 and Scheme Resolution

In accordance with the SIC's rulings as set out in Paragraph 6.2, e-Shang Infinity Cayman Limited (which holds 100% of ESRIM), the Tong Group and persons acting in concert with them will abstain from voting on the Scheme.

In addition, pursuant to Rule 748(5) of the Listing Manual, the VI-REIT Manager, the VI-Property Manager, HLGPL, the HLGT Trustee, e-Shang Infinity Cayman Limited, Mr. Ang (CEO) and the Tong Group, who in each case directly hold Stapled Securities as at the Latest Practicable Date, will abstain from voting on the Scheme.

Accordingly, each of them shall decline to accept appointment as proxy to attend and vote at the Extraordinary General Meeting in respect of Resolution 1 and at the Scheme Meeting in respect of the Scheme Resolution unless the Stapled Securityholder concerned has given specific instructions in his/her/its proxy form as to the manner in which his/her/its votes are to be cast.

18.2 The VIT Facilitation Fee Amendments

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested at a meeting to obtain approval from the Stapled Securityholders.

The VIT Managers, being the managers of VIT, are considered interested persons of VIT for the purposes of Chapter 9 of the Listing Manual. Accordingly, the VIT Facilitation Fee and the VIT Facilitation Fee Amendments will constitute an "interested person transaction" under Chapter 9 of the Listing Manual and the VIT Managers and their associates are prohibited from voting on Resolution 2 at the Extraordinary General Meeting.

In addition, the VIT Managers and their associates shall decline to accept appointment as proxy to attend and vote at the Extraordinary General Meeting in respect of Resolution 2 unless the Stapled Securityholder concerned has given specific instructions in his/her/its proxy form as to the manner in which his/her/its votes are to be cast.

In this connection, VI-Property Manager, the Tong Group, HLGPL, the HLGT Trustee, e-Shang Infinity Cayman Limited, and Mr. Ang (CEO), who in each case directly hold Stapled Securities as at the Latest Practicable Date are considered associates of the VIT Managers for the purpose of this paragraph.

19. RECOMMENDATIONS BY DIRECTORS OF THE VIT MANAGERS

19.1 Independence

VIT Independent Directors (Scheme)

(a) The SIC has ruled that Mr. Tong is exempted from the requirements to make a recommendation on the Scheme to the Stapled Securityholders as he faces an irreconcilable conflict of interest in view of the Manager Arrangements.

(b) The SIC has also ruled that Mr. Ang (CEO) is exempted from the requirements to make a recommendation on the Scheme to the Stapled Securityholders as he faces an irreconcilable conflict of interest in view of his potential appointments as a senior adviser to the ESR-REIT Manager's management team and Non-Executive Director of the ESR-REIT Manager as set out in Paragraph 2.11(d).

(c) Nonetheless, both Mr. Tong and Mr. Ang (CEO) will still assume responsibility for the accuracy of the facts stated or opinions expressed in the documents and advertisements issued by, or on behalf of, the VIT Managers in connection with the Scheme.

(d) Save for Mr. Tong and Mr. Ang (CEO), all the other directors of the VIT Managers consider themselves independent for the purposes of making a recommendation on the Scheme to the Stapled Securityholders.

VIT Independent Directors (VIT Facilitation Fee)

(e) Mr. Tong, Mr. Ang (CEO) and Mr. Tan Hai Peng Micheal are shareholders of VIM, which holds 100% of the VIT Managers. Accordingly, Mr. Tong, Mr. Ang (CEO) and Mr. Tan Hai Peng Micheal have an interest in the VIT Facilitation Fee Amendments and will abstain from making any recommendation to Stapled Securityholders on the VIT Facilitation Fee Amendments in their capacity as Directors.

19.2 Recommendations

(a) The Scheme and the VIT Trust Scheme Amendments

The VIT Independent Directors (Scheme), having considered carefully the terms of the Scheme and the advice given by the VIT IFA in the VIT IFA Letter (Scheme), recommend that Stapled Securityholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.

Having regard to the above and the rationale for the VIT Trust Scheme Amendments as set out in Paragraph 3**,** the VIT Managers are of the opinion that the VIT Trust Scheme Amendments would be beneficial to, and be in the interests of VIT.

Accordingly, the VIT Managers recommend that Stapled Securityholders **VOTE IN FAVOUR** of Resolution 1 (in respect of the VIT Trust Scheme Amendments) at the Extraordinary General Meeting.

The Stapled Securityholders are reminded that upon the Scheme becoming effective in accordance with its terms, it will be binding on all Stapled Securityholders, whether or not they attended or voted at the Scheme Meeting, and, if they attended and voted at the Scheme Meeting, whether or not they voted in favour of the Scheme.

The Stapled Securityholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Stapled Securities will be maintained at the current levels prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. The Stapled Securityholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

The Stapled Securityholders should read and consider carefully this Scheme Document in its entirety, in particular, the advice of the VIT IFA as set out in Appendix A to this Scheme Document before deciding whether or not to vote in favour of the Scheme.

(b) The VIT Facilitation Fee Amendments

The Audit and Risk Committee of the VIT Managers (being Mr. Richard Teo Cheng Hiang, Dr. Choong Chow Siong and Mr. Ronald Lim Cheng Aun), having considered carefully the rationale for the VIT Facilitation Fee Amendments as set out in Paragraph 4 and the advice given by the VIT IFA in the VIT IFA Letter (VIT Facilitation

Fee), believe that the proposed VIT Facilitation Fee Amendments are based on normal commercial terms and would not be prejudicial to the interests of VIT and its non-interested Stapled Securityholders.

Having considered the rationale for the VIT Facilitation Fee Amendments, the advice given by the VIT IFA in the VIT IFA Letter (VIT Facilitation Fee), and the views of the Audit and Risk Committee of the VIT Managers, the VIT Independent Directors (VIT Facilitation Fee) recommend that Stapled Securityholders **VOTE IN FAVOUR** of Resolution 2 (in respect of the VIT Facilitation Fee Amendments) at the Extraordinary General Meeting.

19.3 No Regard to Specific Objectives

The directors of the VIT Managers advise Stapled Securityholders, in deciding whether or not to vote in favour of the Scheme and the VIT Facilitation Fee Amendments, to carefully consider the advice of the VIT IFA and in particular, the various considerations highlighted by the VIT IFA in the VIT IFA Letter (Scheme), the VIT IFA Letter (VIT Facilitation Fee) and the VIT IFA Letter (VI-REIT Manager Transaction).

In giving the above recommendation, the VIT Independent Directors (Scheme) and the VIT Independent Directors (VIT Facilitation Fee) have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Stapled Securityholder.

As each Stapled Securityholder would have different investment objectives and profiles, the directors of the VIT Managers recommend that any individual Stapled Securityholder who may require advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

20. DIRECTORS' INTENTIONS WITH RESPECT TO THEIR STAPLED SECURITIES

As set out in Paragraph 18.1, Mr. Tong and Mr. Ang (CEO) are required to abstain from voting on the Scheme.

In the absence of a VIT Competing Proposal, all of the VIT Independent Directors (Scheme) who legally and/or beneficially own Stapled Securities (amounting to approximately 58.94% of the total number of Stapled Securities), as set out in Paragraph 5.3 of Appendix E to this Scheme Document have informed the VIT Managers that they will **VOTE IN FAVOUR** of Resolution 1 (in respect of the VIT Trust Scheme Amendments) at the Extraordinary General Meeting and the Scheme Resolution at the Scheme Meeting.

21. RESPONSIBILITY STATEMENTS

Directors

The directors of the VIT Managers collectively and individually accept full responsibility for the accuracy of the information given in this Scheme Document (other than the information in **Appendices A, B, C, D, J, K, L and M** to this Scheme Document, and any information relating to or opinions expressed by ESR-REIT and/or the ESR-REIT Manager, Deloitte & Touche LLP, Ernst & Young LLP, the VIT Independent Valuer, and/or the VIT IFA) and the Gatefold (other than the section on "Who is ESR-REIT") and confirm after making all

reasonable enquiries that, to the best of their knowledge and belief, this Scheme Document and the Gatefold constitute full and true disclosure of all material facts about the Merger, the Scheme, the VIT Group, and the VIT Managers, and the directors of the VIT Managers are not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

Where any information in this Scheme Document and the Gatefold 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, Deloitte & Touche LLP, Ernst & Young LLP, the VIT Independent Valuer and/or the VIT IFA), the sole responsibility of the directors of the VIT Managers has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Scheme Document and the Gatefold in its proper form and context.

In respect of the VIT IFA Letter (Scheme), the VIT IFA Letter (VIT Facilitation Fee), the VIT IFA Letter (VI-REIT Manager Transaction) and the VIT Valuation Letter, the sole responsibility of the directors of the VIT Managers has been to ensure that the facts stated with respect to the VIT Group are fair and accurate.

VIT Financial Adviser

To the best of the VIT Financial Adviser's knowledge and belief, save for the information set out in Paragraphs 3, 4, 8, 9, 10, 19 and 20 of the Letter to Stapled Securityholders and **Appendices A, B, C, D, F, G, J, K, L, M, T, U, V and W** to this Scheme Document, this Scheme Document constitutes full and true disclosure of all material facts about the Merger and the VIT Group in relation to the Merger, and the VIT Financial Adviser is not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

22. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Appendices to this Scheme Document.

Yours faithfully

By Order of the Board of Directors

Viva Industrial Trust Management Pte. Ltd.
(Company Registration No. 201204203W)
As manager of Viva Industrial Real Estate Investment Trust

Viva Asset Management Pte. Ltd.
(Company Registration No. 201316690M)
As trustee-manager of Viva Industrial Business Trust

APPENDIX A — LETTER FROM THE VIT IFA TO THE VIT INDEPENDENT DIRECTORS (SCHEME) AND TO THE VI-REIT TRUSTEE IN RESPECT OF THE SCHEME



VIT Independent Directors (Scheme)

Viva Industrial Trust Management Pte. Ltd.
(as REIT manager of Viva Industrial Real Estate
Investment Trust)

Viva Asset Management Pte. Ltd.
(as BT trustee-manager of Viva Industrial Business Trust)

Both of 750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Perpetual (Asia) Limited
(as trustee of Viva Industrial Real Estate Investment Trust)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

7 August 2018

Dear Sirs

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO THE PROPOSED MERGER OF VIVA INDUSTRIAL TRUST AND ESR-REIT BY WAY OF A TRUST SCHEME OF ARRANGEMENT

*For the purposes of this letter, capitalised terms not otherwise defined herein shall have the same meaning given as in the scheme document dated 7 August 2018 (the "**Scheme Document**") of Viva Industrial Trust in relation to, inter alia, the above matters*

1 INTRODUCTION

On 18 May 2018, the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), Viva Industrial Trust Management Pte. Ltd., as manager of Viva Industrial Real Estate Investment Trust ("**VI-REIT**", and the manager of VI-REIT, the "**VI-REIT Manager**") and Viva Asset Management Pte. Ltd., as trustee-manager of Viva Industrial Business Trust ("**VI-BT**" and collectively with VI-REIT, the stapled group, Viva Industrial Trust or "**VIT**", and the trustee-manager of VI-BT, the "**VI-BT Trustee-Manager**", and collectively with the VI-REIT Manager, the "**VIT Managers**") announced the proposed merger (the "**Merger**") of all the issued and paid-up stapled securities (the "**Stapled Securities**") of VIT held by the stapled securityholders of VIT (the "**Stapled Securityholders**") and the units in ESR-REIT (the "**ESR-REIT Units**") held by the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**"). The Merger will be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of a trust scheme of

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arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**").

In connection with the Scheme, the ESR-REIT Manager, RBC Investor Services Trust Singapore Limited (as trustee of ESR-REIT) (the "**ESR-REIT Trustee**"), the VIT Managers and Perpetual (Asia) Limited (as trustee of VI-REIT) (the "**VI-REIT Trustee**") (each, a "**Party**" and collectively the "**Parties**") entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Parties will implement the Scheme.

Pursuant to the Implementation Agreement, the ESR-REIT Manager will, upon the Scheme becoming effective in accordance with its terms, pay to the Entitled Stapled Securityholders S$0.96 per Stapled Security held by each of them as at the Books Closure Date (the "**Scheme Consideration**"), which shall be satisfied by:

(a) firstly, the payment by the ESR-REIT Manager of the Cash Consideration, being S$0.096 in cash per Stapled Security; and

(b) secondly, the allotment and issue by the ESR-REIT Manager of Consideration Units at an issue price of S$0.54 for each Consideration Unit, such Consideration Unit to be credited as fully paid.

As explained in section 2.3 of the Scheme Document, by way of illustration, if the Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S$9.60 in cash and 160 Consideration Units for every 100 Stapled Securities held by it as at the Books Closure Date.

The Scheme Consideration implies a gross exchange ratio of 1.778x post-adjustment for the Cash Consideration (the "**Exchange Ratio**").

Subject to the terms and conditions of the Implementation Agreement, the VIT Managers and the ESR-REIT Manager are permitted to declare, pay or make distributions to the Stapled Securityholders and ESR-REIT Unitholders (as the case may be) (respectively, the "**VIT Permitted Distributions**" and "**ESR-REIT Permitted Distributions**"):

(a) in the ordinary course of business in respect of the period from 1 January 2018 to the Effective Date; and

(b) in respect of tax refunds (if any) received by VIT and ESR-REIT (as the case may be) prior to the Effective Date from the Inland Revenue Authority of Singapore in relation to taxes previously paid by VIT and ESR-REIT (as the case may be).

The VIT Permitted Distributions and the ESR-REIT Permitted Distributions shall not include distributions declared, paid or made by the VIT Managers or the ESR-REIT Manager to the Stapled Securityholders or the ESR-REIT Unitholders respectively in respect of proceeds received in connection with the sale of any real properties.

To comply with the requirements of the Code and Rule 1309(2) of the Listing Manual, the VIT Managers and the VI-REIT Trustee have appointed KPMG Corporate Finance Pte. Ltd. ("**KPMG**



Corporate Finance") as the independent financial adviser (the "**VIT IFA**") to advise the directors of the VIT Managers who are considered independent for the purposes of the Scheme (the "**VIT Independent Directors (Scheme)**") and the VI-REIT Trustee in connection with the Scheme.

The objective of this letter is to advise the VIT Independent Directors (Scheme) and the VI-REIT Trustee in connection with the Scheme as required under the Code and Rule 1309(2) of the Listing Manual.

2 TERMS OF REFERENCE

KPMG Corporate Finance has been appointed by the VIT Managers and the VI-REIT Trustee to advise the VIT Independent Directors (Scheme) and the VI-REIT Trustee on the financial terms of the Scheme, in compliance with the provisions of the Code.

We have confined our evaluation to the financial terms of the Scheme and it is not within our terms of reference to evaluate or comment on the strategic, commercial merits and/or commercial risks of the Scheme or the future prospects and earnings potential of VIT and/or ESR-REIT, or any other alternative methods by which the offers may be made. Such evaluations and comments remain the sole responsibility of the VIT Managers, although we may draw upon their views 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.

We have not been instructed or authorised to solicit, and we have not solicited any indications of interest from any third party with respect to the Scheme. Accordingly, we do not express an opinion on the relative merits of the Scheme as compared to any other alternative transactions.

In the course of our evaluation of the financial terms of the Scheme, we have held discussions with directors and management of the VIT Managers and have examined information provided by the VIT Managers and other publicly available information collated by us as well as representations made, both written and verbal, by the directors and the management of the VIT Managers. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information and representations. Notwithstanding the foregoing, we have made enquiries and used our judgment as we deemed necessary or appropriate in assessing the relevant information and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the VIT Managers that they have taken all reasonable care to ensure that the facts stated in the Joint Announcement and the Scheme Document are true, complete and accurate and no material facts have been omitted from the Joint Announcement and the Scheme Document. The VIT Managers have confirmed to us that to the best of their knowledge and belief, all material information relating to the Joint Announcement and the Scheme Document and the Scheme have been disclosed to us, that such information is true, complete and accurate in all material respects and there are no other material information and facts the omission of which would render any statement in the Joint Announcement and the Scheme Document misleading in any material respect.



For the purposes of assessing the financial terms of the Scheme, we have not relied on any financial projections or forecasts in respect of VIT and/or ESR-REIT. We are not required to express and we do not express any view on the growth prospects and earnings potential of VIT and/or ESR-REIT in connection with our opinion herein. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities of VIT and/or ESR-REIT.

We have been provided with valuations issued by Cushman & Wakefield VHS Pte Ltd in respect of the VIT properties. We are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, real estate properties), especially in the real estate sector, and have accordingly relied solely upon the aforesaid valuation reports. Furthermore, we do not assume any responsibility to inquire about the basis of such valuations or if the contents thereof have been prepared and/or included in the Scheme Document in accordance with all applicable regulatory requirements including Rule 26 of the Code.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our analysis of the information provided to us by the VIT Managers, as at 27 July 2018 (the "**Latest Practicable Date**"). Such conditions may change significantly over a short period of time. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent event after the Latest Practicable Date.

Stapled Securityholders should take note of any announcement relevant to their consideration of the Scheme released after the Latest Practicable Date.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Stapled Securityholders. As different Stapled Securityholders have different investment objectives, we advise any Stapled Securityholders who may require specific advice in relation to his/her Stapled Securities to consult his solicitor, accountant or other professional advisers.

The VIT Managers have been separately advised by their other advisers in the preparation of the Scheme Document (other than this letter). We were not involved in and have not provided any advice whatsoever in the preparation and verification of the Scheme Document (other than this letter). Accordingly, we take no responsibility for, and express no views, express or implied, on the contents of the Scheme Document (other than this letter).

Our advice in relation to the Scheme should be considered in the context of the entirety of this letter and the Scheme Document.



3 DETAILS OF THE MERGER AND THE SCHEME

Information on the Scheme is set out in section 2 of the Scheme Document.



4 OUR EVALUATION

In arriving at our opinion in relation to the Scheme, we have taken into account the following key factors:

4.1 Rationale

"4.1.1 Attractive Premium to NAV and Historical Trading Prices

The Scheme Consideration represents a premium of approximately 26.4% over the NAV per Stapled Security as at 31 March 2018, a premium of approximately 7.9% over VIT's last closing price on 17 May 2018 (being the last trading day immediately prior to the Joint Announcement Date) and a premium of approximately 23.1% to VIT's initial public offering price. The Scheme Consideration also represents a premium of approximately 7.9% over VIT's closing price as at the Latest Practicable Date.

4.1.2 Distribution per Stapled Security and NAV per Stapled Security Accretive to the Stapled Securityholders

Assuming that the Merger had been completed on 1 January 2017, the pro forma distribution attributable to the holder of one Stapled Security for the financial year ended 31 December 2017 would be 7.233 cents. This is 3.6% higher than the pro forma distribution of 6.983 cents the holder of one Stapled Security would have received for the same period after aligning the proportion of the VI-REIT Manager's base fees and the VI-Property Manager's fees paid in cash to be on a like-for-like basis as compared to the Enlarged Trust.

4.1.3 Creation of a Sizeable and Liquid Industrial Singapore –listed REIT ("S-REIT")

The Merger will result in the creation of a sizeable and liquid industrial S-REIT which will offer the following benefits to Stapled Securityholders:

- *The Enlarged Trust is expected to become the 4th largest industrial S-REIT, with total assets increasing to approximately S$3.0 billion; and*
- *The Merger will result in a gearing of 38.9% for the Enlarged Trust. The Enlarged Trust's portfolio will be 100% unencumbered compared to 8% for VIT's current portfolio, allowing it to benefit from better access to capital and a more competitive cost of debt. Weighted average debt tenor also increases from 1.7 years to 2.4 years.*

4.1.4 Enlarged and Diversified Portfolio

The Enlarged Trust will have an enhanced portfolio comprising 56 properties, representing a total gross floor area of approximately 13.6 million square feet and a total asset value of approximately S$3.0 billion. The number of tenants also increases from 157 (for VIT) and 193 (for ESR-REIT) to 350.

Following the Merger, the Enlarged Trust will be able to take advantage of operational benefits from the enhanced scale of the portfolio which comprises assets located strategically in key industrial zones in Singapore. These benefits include the ability to undertake asset rejuvenation while balancing portfolio risks and returns, diversifying asset and tenant concentration risk,



building economies of scale across operations, leasing and marketing, providing a wider product suite to capture a larger tenant base and having stronger bargaining power with service providers.

The Merger will also broaden VIT's current suite of industrial offerings to include General Industrial and High-Specs Industrial segment as this segment is currently a part of ESR-REIT's offerings, as well as significantly reduce reliance on any single asset and any single tenant.

The Stapled Securityholders will also benefit from the following enhanced defensive attributes of the Enlarged Trust:

- *Decrease in rental income contribution of the top 10 tenants from 40.2% to 28.7%*
- *Increase in WALE from 3.0 years to 3.8 years*
- *Decrease in the percentage of properties in the portfolio with land lease expiry within the next 20 years from 37.2% to 23.1%*

Additionally, the Enlarged Trust will be well-positioned to leverage VIT's experience in managing a business park portfolio to enable the Enlarged Trust to undertake a portfolio rejuvenation strategy through acquisitions and AEIs. VIT's current portfolio will provide ESR-REIT with immediate access to a large portion of Business Parks, which complements ESR-REIT's strategy of acquisitions in these segments including recent acquisitions of properties including 8 Tuas South Lane, 7000 Ang Mo Kio Ave 5, and 15 Greenwich Drive. The AEI at 30 Marsiling Industrial Estate Road 8 and the potential upside at 7000 Ang Mo Kio Ave 5 in ESR-REIT's portfolio will further provide possible value accretion.*

4.1.5 Enlarged Trust will be Well-Supported by a Strong and Committed Developer-Sponsor

The Stapled Securityholders will benefit from the backing of a strong and committed developer sponsor in the ESR Group, a leading pan-Asian logistics real estate developer, operator and fund manager. The ESR Group has a regional presence across China, Japan, Singapore, South Korea, India and Australia, with a total GFA of over 10 million square metres in operation and under development and total external assets under management of US$12 billion.

The ESR Group's regional footprint provides the opportunity for the Enlarged Trust to leverage the ESR Group's strong network of strategic relationships with leading global e-commerce companies, retailers, logistics service providers and manufacturers.

In addition, the Enlarged Trust will have the opportunity to acquire the ESR Group's visible pipeline of assets, which will facilitate the Enlarged Trust's scalable growth and overseas expansion in the future"

Further details on the rationale is set out in section 2.2 of the Scheme Document.

The rationale has been reviewed and is considered to be reasonable.

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* *ESR-REIT announced the proposed acquisition of 15 Greenwich Drive on 24 April 2018.*

4.2 Financial Assessment of the Scheme

In evaluating the Scheme from a financial point of view, we have evaluated whether the Exchange Ratio is fair and reasonable and have considered the following factors:

4.2.1 Whether the Scheme Consideration of S$0.96 per VIT Stapled Security is fair:

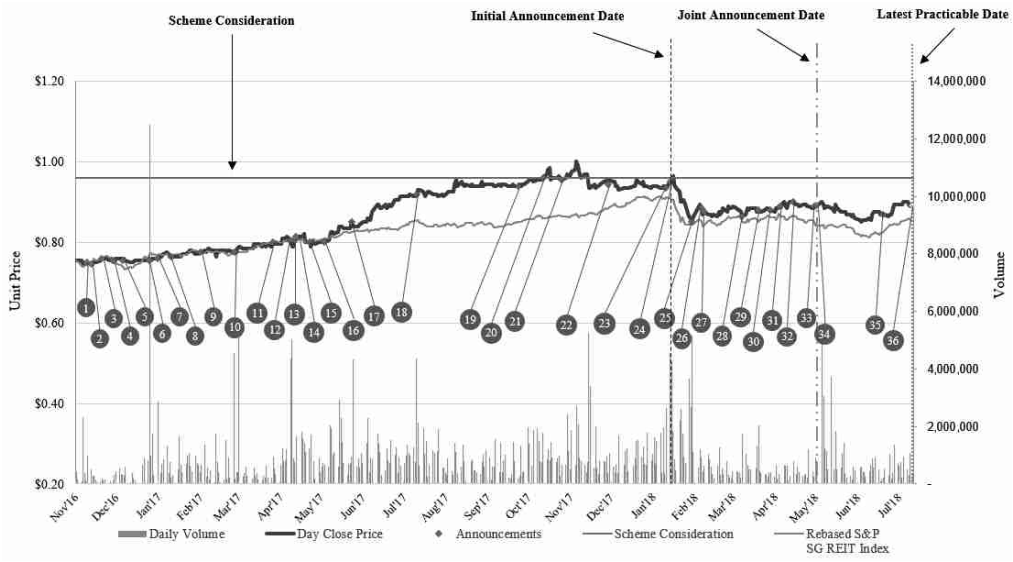
Stapled Securities price performance

The market valuation of the securities of an entity (traded on a recognised exchange) provides a perspective on its financial value. Accordingly, we have considered the historical price performance of the VIT Stapled Securities relative to the Scheme Consideration.

We wish to highlight that under ordinary circumstances the market valuation of the securities of an entity (traded on a recognised exchange) may be affected by, amongst other things, the relative liquidity, the size of the free float, the extent of applicable research coverage and investor interest, and the general market sentiment at a given point in time. Accordingly, this analysis serves as an illustrative guide only.

Historical Stapled Security price and volume chart

The chart below shows the Scheme Consideration relative to the daily transacted prices and trading volume of the VIT Stapled Securities from 17 November 2016 and up to the Latest Practicable Date.



Source: Capital IQ

The table below includes selected announcements made in respect of the VIT Stapled Securities.

No	Date	Announcement
1	25-Nov-16	Moody's Assigns Credit Ratings to VI-REIT and its MTN Programme and Notes



No	Date	Announcement
2	28-Nov-16	Update on Use of Proceeds
3	6-Dec-16	Credit Ratings Update
4	14-Dec-16	S$22 Million Term Loan Facility
5	21-Dec-16	Receipt of Approval In-Principle for Listing and Quotation of up to 33,000,000 Consideration Stapled Securities in Viva Industrial Trust Pursuant to the Proposed Acquisition
6	10-Jan-17	Release of Investor Presentation for 3Q2016 Financial Results
7	16-Jan-17	Completion of the Proposed Acquisition, Issuance of Consideration Stapled Securities and Update on Use of Proceeds
8	26-Jan-17	Financial Statements and Related Announcement - Full Yearly Results
		Notice of Valuation of Real Assets - Asset Valuation
		Notice of Books Closure and Distribution Payment Date - Taxable Income and Tax-Exempt Income
9	17-Feb-17	Payment of Management Fees by way of Issue of New Stapled Securities in Viva Industrial Trust
		Disclosure of Interest/Changes in Interest of Trustee-Manager/Responsible Person - Change in REIT Manager's Interest
		Disclosure of Interest/Changes in Interest of Director/Chief Executive Officer - Change in Director's Interest
		Disclosure of Interest/Changes in Interest of Substantial Shareholder(s)/Unitholder(s) - Change in Substantial Unitholders' Interest
10	14-Mar-17	Investor Presentation - RHB Singapore REITs Day Tokyo
11	11-Apr-17	Notice of Annual General Meeting, Release of Annual Reports and Related Documents (FY2016)
12	23-Apr-17	Receipt of Liquidation Notice from Jackson International Pte Ltd
13	27-Apr-17	Results of Fourth Annual General Meeting Held on 27 April 2017
14	28-Apr-17	Announcement of 1Q2017 Financial Results
15	8-May-17	Asset Valuation
16	19-May-17	Payment of Management Fees by way of Issue of New Stapled Securities in Viva Industrial Trust
17	8-Jun-17	Credit Ratings Update by Moody’s (VI-REIT: Ba1 LT Corporate Family Rating)
18	26-Jul-17	Announcement of 2Q2017 and 1H2017 Financial Results
		Notice of Books Closure and Distribution Payment Date - Taxable Income and Tax-Exempt Income
		Invitation to Viva Industrial Trust's Investor Day and Official Opening Ceremony of Viva Business Park



No	Date	Announcement
19	9-Oct-17	Right of First Refusal to Acquire the Property Located at 7000 Ang Mo Kio Avenue 5, Singapore 569877 (the "Ang Mo Kio Property")
20	27-Oct-17	Announcement of 3Q2017 Financial Results
		Notice of Books Closure and Distribution Payment Date - Taxable Income and Tax-Exempt Income
21	10-Nov-17	Payment of Management Fees by way of Issue of New Stapled Securities in Viva Industrial Trust
22	14-Dec-17	Cessation of KSH Right of First Refusal
23	26-Jan-18	Announcement of 4Q2017 and Unaudited FY2017 Financial Results; Release of Portfolio Valuation Report
24	29-Jan-18	Announcement of Receipt of Proposal for Proposed Merger of Viva Industrial Trust and ESR-REIT
25	14-Feb-18	Promotion of Mr Frank Ng Tze Wei from Head of IR & Investment to COO
26	21-Feb-18	Removal of Moody's Credit Ratings on VI-REIT (Ba1) & its Notes (Ba2)
27	23-Feb-18	Update Announcement in relation to the Proposed Merger - Discussion Still Ongoing
28	23-Mar-18	Update Announcement in relation to the Proposed Merger - Discussion Still Ongoing
29	4-Apr-18	Notice of Annual General Meeting
		Annual Reports and Related Documents
		Payment of Management Fees by way of Issue of New Stapled Securities in Viva Industrial Trust
30	13-Apr-18	Completion of Ramp Works and Link Works and Grant of Easement Rights at 30 Pioneer Road
31	20-Apr-18	Results of Fifth Annual General Meeting Held on 20 April 2018
32	30-Apr-18	Update Announcement in relation to the Proposed Merger - Extension of Exclusivity Period
33	15-May-18	Appointment of Independent Financial Adviser and Update Announcement
34	18-May-18	Announcement on Proposed Merger of Viva Industrial Trust and ESR-REIT by way of a Trust Scheme of Arrangement
35	5-Jul-18	Sustainability Report 2017

Source: VIT SGX-ST Announcements

Based on the chart above, we observe that the VIT Stapled Securities have predominantly traded below the Scheme Consideration during the relevant period.

The last transacted VIT Stapled Securities price prior to the Initial Announcement Date was S$0.935, and decreased during the period from the Initial Announcement Date up until the Joint Announcement Date.

The last transacted VIT Stapled Securities price prior to the Joint Announcement Date ("**Last Trading Day**") was S$0.890, and remained the same as at the Latest Practicable Date.

Comparison of historical price of the VIT Stapled Securities against the Scheme Consideration

We have compared the price of the VIT Stapled Securities based on its volume weighted average price ("**VWAP**") for varying time periods before and after the Initial Announcement Date and the Joint Announcement Date, and compared them to the premium implied by the Scheme Consideration over the respective VWAPs.

Price comparison with reference to:	**Initial Announcement Date**		**Joint Announcement Date**	
Reference period	**VWAP (S$)**	**Premium of Scheme Consideration over VWAP**	**VWAP (S$)**	**Premium of Scheme Consideration over VWAP**
One-day prior	0.935	2.67%	0.890	7.87%
One-month prior	0.941	2.02%	0.893	7.50%
Three-month prior	0.952	0.84%	0.882	8.84%
Six-month prior	0.946	1.48%	0.917	4.69%
12-month prior	0.887	8.23%	0.914	5.03%
18-month prior	0.848	13.21%	0.875	9.71%
One-day post	0.950	1.05%	0.900	6.67%
Till the Latest Practicable Date	0.887	8.23%	0.884	8.60%

Source: Capital IQ

Having benchmarked the Scheme Consideration against the VWAP for varying periods preceding the Initial Announcement Date and the Joint Announcement Date, we observe as follows:

(a) the Scheme Consideration is at a premium of 2.67% and 7.87% over the last transacted day VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(b) the Scheme Consideration is at a premium of 2.02% and 7.50% over the one-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(c) the Scheme Consideration is at a premium of 0.84% and 8.84% over the three-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(d) the Scheme Consideration is at a premium of 1.48% and 4.69% over the six-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(e) the Scheme Consideration is at a premium of 8.23% and 5.03% over the 12-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively; and

(f) the Scheme Consideration is at a premium of 13.21% and 9.71% over the 18-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively.

Having benchmarked the Scheme Consideration against the VWAP for varying periods after the Initial Announcement Date and the Joint Announcement Date, we observe as follows:

(a) the Scheme Consideration is at a premium of 1.05% and 6.67% over the first transacted day VWAP subsequent to the Initial Announcement Date and the Joint Announcement Date, respectively; and

(b) the Scheme Consideration is at a premium of 8.23% and 8.60% over the VWAP for the period from the Initial Announcement Date and the Joint Announcement Date till the Latest Practicable Date, respectively.

We have compared the VWAP of the VIT Stapled Securities for the varying periods before the Latest Practicable Date, and compared them to the premium implied by the Scheme Consideration over the respective VWAPs.

Price comparison with reference to:	**Latest Practicable Date**	
Reference period	**VWAP (S$)**	**Premium of Scheme Consideration over VWAP**
As at the Latest Practicable Date	0.890	7.87%
One-month prior	0.886	8.35%
Three-month prior	0.883	8.72%
Six-month prior	0.887	8.23%
12-month prior	0.915	4.92%
18-month prior	0.887	8.23%

Source: Capital IQ

Having benchmarked the Scheme Consideration against the VWAP for varying periods preceding the Latest Practicable Date, we observe as follows:

(a) the Scheme Consideration is at a premium of 7.87% over the VWAP as at the Latest Practicable Date;

(b) the Scheme Consideration is at a premium of 8.35% over the one-month VWAP prior to the Latest Practicable Date;

(c) the Scheme Consideration is at a premium of 8.72% over the three-month VWAP prior to the Latest Practicable Date;

(d) the Scheme Consideration is at a premium of 8.23% over the six-month VWAP prior to the Latest Practicable Date;

(e) the Scheme Consideration is at a premium of 4.92% over the 12-month VWAP prior to the Latest Practicable Date; and



(f) the Scheme Consideration is at a premium of 8.23% over the 18-month VWAP prior to the Latest Practicable Date.

We note that our analysis of the past price performance of the VIT Stapled Securities is not indicative of the future price levels.

Analysis of multiples implied by the Scheme Consideration as compared to VIT Comparable Trusts

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 have compared the valuation ratios of VIT implied by the Scheme Consideration with those of selected entities listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"), which in our view, are broadly comparable to VIT ("**VIT Comparable Trusts**").

We wish to highlight that the VIT Comparable Trusts are not exhaustive and there may not be any entity that is directly comparable to VIT in terms of, inter alia, market capitalisation, size of operations, clientele base, 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. As such, any comparison made with respect to the VIT Comparable Trusts is intended to serve as an illustrative guide only.



A brief description of VIT Comparable Trusts is as follows:

Company	Market Capitalisation (S$ m)	Net Asset Value (S$ m)	Description
Viva Industrial Trust	868	741	— Viva Industrial Trust is a Singapore-focused business park and industrial property trust listed on the Mainboard of the Singapore Exchange, comprising of Viva Industrial Real Estate Investment Trust and Viva Industrial Business Trust — VIT focuses on building a diversified portfolio of income-producing real estate which is used predominantly for business park and other industrial purposes in Singapore and elsewhere in the Asia-Pacific region, comprising of nine properties in Singapore; while VI-BT is presently inactive
ESR-REIT	816	1,077	— ESR-REIT is a Singapore-based real estate investment trust listed on the Singapore Exchange Securities Trading Limited since 2007 — ESR-REIT invests in Logistics/Warehouse, Hi-Specs Industrial, Light Industrial, General Industrial and Business Park, with a diversified portfolio of 48 properties located across Singapore — Its properties are located in major transportation hubs and key industrial zones island-wide
AIMS AMP Capital Industrial REIT	960	939	— AIMS AMP Capital Industrial REIT ("**AA REIT**") invests in a diversified portfolio of income-producing industrial real estate located in the Asia Pacific region — This includes, but is not limited to, warehousing and distribution activities, business park activities and manufacturing activities — AA REIT's existing portfolio consists of 27 industrial properties, 26 of which are located in Singapore
Cache Logistics Trust	830	854	— Cache Logistics Trust ("**Cache**") is a Real Estate Investment Trust that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets, in the Asia Pacific region — Cache's portfolio comprises 19 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China
Soilbuild Business Space REIT	671	668	— Soilbuild Business REIT is a Singapore-focused real estate investment trust with a portfolio of business parks and industrial properties consisting of industries engaging in manufacturing, engineering, logistics, warehousing, electronics, marine, oil & gas, research and development and value-added knowledge-based activities



Ascendas Real Estate Investment Trust	8,000	6,499	— Ascendas Real Estate Investment Trust ("AREIT") is Singapore's first and largest listed business space and industrial real estate investment trust — As at 31 December 2017, AREIT's portfolio consists of 101 properties in Singapore and 31 properties in Australia — The portfolio includes business and science park/suburban office properties, hi-specs industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties
Mapletree Industrial Trust	3,809	2,786	— Mapletree Industrial Trust ("MIT") is a real estate investment trust listed on the Main Board of Singapore Exchange — Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore, and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets — MIT's property portfolio comprises 85 industrial properties in Singapore and 14 data centres in the US

Source: CapitalIQ, and SGX-ST Announcements

For the purpose of evaluating the implied Scheme Consideration multiples, we have made reference to the distribution yields and price-to-book ratios of the VIT Comparable Trusts:

(a) **'Distribution Yield'**: The distribution yield is calculated as distribution per unit relative to price per unit. It is a relevant valuation metric for a listed trust given its mandate. Distribution yield, based on cash flows, is a similar metric to dividend yield which is based on net profit/retained earnings, with both representing the estimated investment return in the absence of capital gains.

(b) '**P/B**' or '**Price-to-Book**': The ratio illustrates the market value of an entity's units/shares relative to its book value.

The Distribution Yields and Price-to-Book ratios of the VIT Comparable Trusts set out are based on their last transacted prices as at the Latest Practicable Date.



Distribution Yield implied by the Scheme Consideration as compared to VIT Comparable Trusts

VIT Comparable Trusts	Market Capitalisation (S$ m)	Last Transacted Price (S$)	Distribution per Unit (S$ cents)	Distribution Yield
Mid Capitalisation VIT Comparable Trusts				
AIMS AMP Capital Industrial REIT	959.8	1.400	10.30	7.36%
Cache Logistics Trust	830.2	0.775	6.06	7.82%
ESR-REIT	815.6	0.515	3.70	7.18%
Soilbuild Business Space REIT	670.8	0.635	5.35	8.42%
Max				8.42%
Mean				7.69%
Median				**7.59%**
Min				7.18%
Large Capitalisation VIT Comparable Trusts				
Ascendas Real Estate Investment Trust	8,000.1	2.73	15.94	5.84%
Mapletree Industrial Trust	3,808.9	2.02	11.83	5.86%
Max				5.86%
Mean				5.85%
Median				**5.85%**
Min				5.84%
VIT Comparable Trusts				
Max				8.42%
Mean				7.08%
Median				**7.27%**
Min				5.84%
Viva Industrial Trust *implied by the Scheme Consideration*	**936.7**	**0.96**	**7.46**	**7.77%**

Source: Capital IQ and SGX-ST Announcements

Note: Distribution per Unit for the last twelve months based on the financials announced on SGX-ST

Based on the table above, we observe as follows:

(a) The Distribution Yield of VIT implied by the Scheme Consideration of 7.77% is within the range of the Distribution Yields of the VIT Comparable Trusts and is higher than the median Distribution Yield of the VIT Comparable Trusts of 7.27%;

(b) The Distribution Yield of VIT implied by the Scheme Consideration of 7.77% is within the range of the Distribution Yields of the Mid Capitalisation VIT Comparable Trusts and is higher than the median Distribution Yield of the Mid Capitalisation VIT Comparable Trusts of 7.59%; and

(c) The Distribution Yield of VIT implied by the Scheme Consideration of 7.77% is higher than the range of the Distribution Yields of the Large Capitalisation VIT Comparable Trusts.

Price-to-Book ratios implied by the Scheme Consideration as compared to VIT Comparable Trusts

VIT Comparable Trusts	Market Capitalisation (S$ m)	Last Transacted Price (S$)	NAV per Unit (S$)	Price/Book
Mid Capitalisation VIT Comparable Trusts				
AIMS AMP Capital Industrial REIT	959.8	1.400	1.37	1.02x
Cache Logistics Trust	830.2	0.775	0.70	1.11x
ESR-REIT	815.6	0.515	0.58	0.88x
Soilbuild Business Space REIT	670.8	0.635	0.63	1.01x
Max				1.11x
Mean				1.00x
Median				**1.01x**
Min				0.88x
Large Capitalisation VIT Comparable Trusts				
Ascendas Real Estate Investment Trust	8,000.1	2.73	2.04	1.34x
Mapletree Industrial Trust	3,808.9	2.02	1.47	1.37x
Max				1.37x
Mean				1.36x
Median				**1.36x**
Min				1.34x
VIT Comparable Trusts				
Max				1.37x
Mean				1.12x
Median				**1.06x**
Min				0.88x
Viva Industrial Trust *implied by the Scheme Consideration*	**936.7**	**0.96**	**0.76**	**1.26x**

Source: Capital IQ and SGX-ST Announcements

Note: NAV per Unit is for the last twelve months based on the financials announced on SGX-ST

Based on the table above, we observe as follows:

(a) The Price-to-Book ratio of VIT implied by the Scheme Consideration of 1.26x is within the range of the Price-to-Book ratios of the VIT Comparable Trusts and is higher than the median Price-to-Book ratio of the VIT Comparable Trusts of 1.06x;

(b) The Price-to-Book ratio of VIT implied by the Scheme Consideration of 1.26x is higher than the range of the Price-to-Book ratios of the Mid Capitalisation VIT Comparable Trusts; and

(c) The Price-to-Book ratio of VIT implied by the Scheme Consideration of 1.26x is lower than the range of the Price-to-Book ratios of the Large Capitalisation VIT Comparable Trusts.



Analysis of multiples implied by the Scheme Consideration as compared to Precedent Transactions

We have considered precedent transactions involving the acquisition of business trusts and/or real estate investment trusts listed on the SGX-ST. In assessing the reasonableness of the Scheme Consideration, we have compared it with the financial terms of selected transactions announced since 1 January 2014 and up to the Latest Practicable Date ("**Precedent Transactions**").

This analysis serves as a general indication of the relevant level of premiums that other offerors have paid in order to acquire the targets without having regard to their specific industry characteristics or other considerations. We have set out below the premiums implied by the offer prices compared to the VWAPs of the respective targets for the one-day, one-month, three-month, six-month, and twelve-month periods prior to the respective announcement dates of the offer price.

We wish to highlight that the targets involved in the Precedent Transactions as set out in the analysis below may not be directly comparable to VIT in terms of market capitalization, 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 Precedent Transaction should be evaluated based on its own financial and commercial merits.

It should also be noted that the level of discount/premium that an offeror pays in any Precedent Transaction varies in different circumstances depending, amongst other things, on the attractiveness of the underlying business to be acquired, the potential synergies to be gained from integration with an existing business to be acquired, the possibility of significant revaluation of the assets to be acquired, the availability of cash reserves, the liquidity of the target's traded shares, the presence of competing bids for the target, the form of consideration offered by an acquirer, the extent of control the acquirer already had in the target and the prevailing market expectations.

The list of Precedent Transactions provided is by no means exhaustive and conclusions drawn from the comparisons may not necessarily provide a meaningful basis that reflects the perceived or implied market valuation of VIT, and conclusions drawn with respect to these transactions merely serves as an illustrative guide.



The Precedent Transactions and relevant information relating to them are set out below.

Precedent Transaction	Accouncement Date	Offer Price (S$)	Premium over					Price/Book
			Closing price on the Last Trading Day	1-month VWAP prior to the announcement	3-month VWAP prior to the announcement	6-month VWAP prior to the announcement	12-month VWAP prior to the announcement	
All-scrip deal								
Keppel Infrastructure Trust	18 Nov 2014	1.04	0.44%	0.26%	0.20%	0.00%	N/A	1.11x
All-cash deal								
Croesus Retail Trust	26 Apr 2017	1.17	24.47%	25.81%	31.46%	34.48%	37.65%	1.23x
Saizen REIT	23 Oct 2015	1.16	35.91%	39.50%	39.33%	36.71%	34.34%	1.00x
Forterra Trust	04 Nov 2014	2.25	32.35%	51.11%	49.70%	39.84%	25.07%	0.58x
Perennial China Retail Trust	27 Oct 2014	0.70	34.62%	34.00%	32.95%	32.08%	23.24%	0.95x
Max			35.91%	51.11%	49.70%	39.84%	37.65%	1.23x
Mean			25.56%	30.13%	30.73%	28.62%	30.07%	0.97x
Median			**32.35%**	**34.00%**	**32.95%**	**34.48%**	**29.70%**	**1.00x**
Min			0.44%	0.26%	0.20%	0.00%	23.24%	0.58x
Viva Industrial Trust *implied by the Scheme Consideration*	**18 May 2018**	**0.96**	**7.87%**	**7.50%**	**8.84%**	**4.69%**	**5.03%**	**1.26x**

Source: Company's Circulars

Having benchmarked the premiums implied by the Scheme Consideration against the Precedent Transactions, we observe as follows:

(a) The premium of 7.87% implied by the Scheme Consideration over the last transacted market price prior to the Joint Announcement Date is within the range of premiums, and lower than the median of premiums for the Precedent Transactions;

(b) The premium of 7.50% implied by the Scheme Consideration over the 1-month VWAP prior to the Joint Announcement Date is within the range of premiums, and lower than the median of premiums for the Precedent Transactions;

(c) The premium of 8.84% implied by the Scheme Consideration over the 3-month VWAP prior to the Joint Announcement Date is within the range of premiums, and lower than the median of premiums for the Precedent Transactions;

(d) The premium of 4.69% implied by the Scheme Consideration over the 6-month VWAP prior to the Joint Announcement Date is within the range of premiums, and lower than the median of premiums for the Precedent Transactions;

(e) The premium of 5.03% implied by the Scheme Consideration over the 12-month VWAP prior to the Joint Announcement Date is lower than the range of premiums, and lower than the median of premiums for the Precedent Transactions; and

(f) The Price-to-Book ratio of 1.26x implied by the Scheme Consideration is higher than the range of Price-to-Book ratios, and higher than the median of Price-to-Book ratios for the Precedent Transactions.

In our view, the disposal of Keppel Infrastructure Trust ("**KIT**") assets by KIT to Cityspring Infrastructure Trust ("**CIT**") (the "**KIT Disposal**") is considered the most comparable of the Precedent Transactions because the purchase consideration involved the issuance of CIT units for

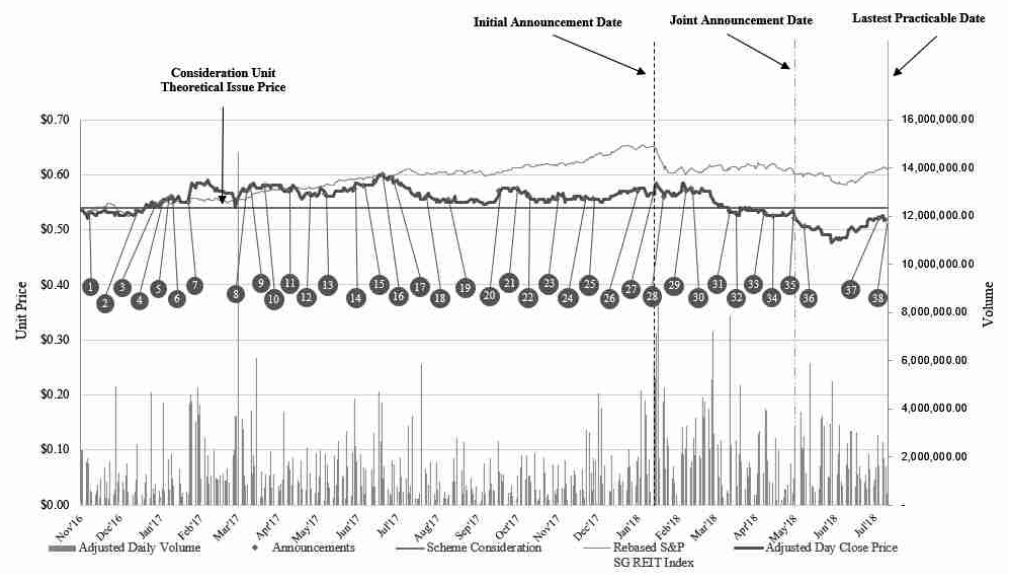
KIT units, with KIT unitholders becoming unitholders in the merged/enlarged entity. The other Precedent Transactions involved unitholders exiting their positions for cash consideration. We note that the premium implied by the Scheme Consideration is higher than those observed in the Precedent Transaction involving Keppel Infrastructure Trust.

4.2.2 Whether the Consideration Units are fairly priced at S$0.54 per Unit from Stapled Securityholders' perspective:

ESR-REIT Unit price performance

Historical ESR-REIT Unit price and volume chart

The chart below shows the theoretical issue price for the Consideration Units ("**Consideration Unit Theoretical Issue Price**") relative to the daily transacted prices and trading volume of the ESR-REIT Units from 17 November 2016 and up to the Latest Practicable Date.



Source: Capital IQ

Note: The ESR-REIT Unit Price has been adjusted having regard to the Preferential Offering announced on 27 February 2018

The table below includes selected announcements made in respect of the ESR-REIT Units.

No	Date	Announcement
1	23-Nov-16	Change - Announcement of Appointment of Acting Chief Executive Officer
2	30-Dec-16	Change - Announcement of Retirement of Chairman
		Manager of Cambridge Industrial Trust ("CIT") Appoints a New Chairman and a New Independent Director as part of Succession Planning and Broader Corporate Governance Strategy
3	13-Jan-17	Change - Announcement of Appointment of Non-Executive Director and Retirement of Independent Non-Executive Director



No	Date	Announcement
4	18-Jan-17	Completion of Acquisition by e-Shang Redwood Subsidiary of 80% Indirect Interest in the Manager
		Change - Announcement of Cessation of Non-Executive Director and Appointment of New Non-Executive Directors
5	23-Jan-17	Proposed Divestment of 55 Ubi Avenue 3
6	25-Jan-17	Announcement of 4Q2016 Results and Revaluation of Properties; ESR Acquires 80% Stake in CIT Manager (New Majority Shareholder)
7	7-Feb-17	ESR Acquires 10.65% of CIT, Becomes 2nd Largest Unitholder
8	24-Mar-17	Announcement on the Appointment of New CEO & Executive Director - Chui Wai Yin Adrian
9	27-Mar-17	REIT Industry Veteran, Mr. Michael Dwyer, Steps Down from the Board of the Manager of CIT
10	7-Apr-17	Release of Annual Reports and Related Documents (FY2016)
11	25-Apr-17	Announcement of 1Q2017 Results
		Steady 1Q2017 Performance for CIT, Well-Positioned to Capture Growth Opportunities with Rejuvenated Board, New Leadership, and Strong Backing of Developer-Sponsor ESR
		Sustainability Report 2016
12	11-May-17	Change in Composition of Board Committee
13	23-May-17	Investor Presentation - CIT Highlights
14	14-Jun-17	Proposed Divestment of 23 Woodlands Terrace
15	21-Jun-17	Cambridge Industrial Trust Announces Name Change to ESR-REIT
16	6-Jul-17	Proposed Divestment of 87 Defu Lane 10
17	13-Jul-17	Announcement of Half Yearly Results, ESR-REIT Delivers Steady Performance for 2Q2017
18	8-Aug-17	Clarification Announcement Regarding News Article on being "In Talks to Buy Sabana REIT"
19	25-Aug-17	Clarification Announcement Regarding News Article and TV Report Referring to the Occurrence of Fire at 30 Toh Guan Rd (ESR-REIT's Property)
20	3-Oct-17	Investor Presentation - Overview of ESR-REIT, Portfolio Overview, Key Financials (2Q2017)
21	17-Oct-17	Announcement of 3Q2017 Results
		ESR-REIT Declares S$12.6 Million Distributable Income; Stable Business Performance for 3Q2017
22	26-Oct-17	Issue of S$150,000,000 4.60% Subordinated Perpetual Securities under the S$750,000,000 Multicurrency Debt Issuance Programme
23	16-Nov-17	Completion of Divestment of 87 Defu Lane 10



No	Date	Announcement
24	7-Dec-17	Completion of Divestment of 23 Woodlands Terrace
25	14-Dec-17	ESR-REIT Completes Acquisition of 8 Tuas South Lane for S$95.0 Million
		ESR-REIT has Acquired an 80% Stake in SPV Holding 7000 Ang Mo Kio Avenue 5 for S$240.0 Million
26	17-Jan-18	Announcement of 4Q2017 and Unaudited FY2017 Results; Release of Portfolio Valuation Report
27	29-Jan-18	Announcement of Proposed Merger with Viva Industrial Trust
28	6-Feb-18	Proposed Divestment of 9 Bukit Batok Street 22
29	23-Feb-18	Proposed Withdrawal of Extraordinary Resolutions at EGM
30	27-Feb-18	Launch of Preferential Offering on the Basis of 199 New Units for Every 1,000 Existing Units to Raise Gross Proceeds of up to Approximately S$141.9 Million
31	28-Mar-18	Issue and Listing of 262,849,614 New Units Pursuant to the Preferential Offering, and the Use of Proceeds
32	2-Apr-18	Release of Annual Reports and Related Documents (FY2017)
33	24-Apr-18	ESR-REIT Increases Exposure to Logistics Sector with S$95.8 Million Acquisition of a Modern Ramp-Up Logistics Facility
34	30-Apr-18	Update Announcement in Relation to the Proposed Merger - Extension of Exclusivity Period
35	18-May-18	Announcement on Proposed Merger of Viva Industrial Trust and ESR-REIT by way of a Trust Scheme of Arrangement
		Proposed Merger of Viva Industrial Trust and ESR-REIT by way of a Trust Scheme of Arrangement Subject to Whitewash Resolution
36	24-May-18	Announcement Regarding Hyflux Membrane Manufacturing (S) Pte. Ltd.
37	20-Jul-18	Change In Composition Of Board Committees

Source: Company website, Announcements

Based on the chart above, we observe that the ESR-REIT Units have traded predominantly above the Consideration Unit Theoretical Issue Price during the 18 month period.

The last transacted ESR-REIT Unit price prior to the Initial Announcement Date was S$0.565, and decreased during the period from the Initial Announcement Date up until the Joint Announcement Date.

The last transacted ESR-REIT Unit price prior to the Joint Announcement Date was S$0.525, and decreased during the period from the Joint Announcement Date up until the Latest Practicable Date.

Comparison of historical pricing of the ESR-REIT Units against the Consideration Unit Theoretical Issue Price

We have compared the price of the ESR-REIT Units based on its VWAP for varying time periods before and after the Initial Announcement Date and the Joint Announcement Date, and compared them to the (discount)/premium implied by the Consideration Unit Theoretical Issue Price over the respective VWAPs.

Price comparison with reference to:	**Initial Announcement Date**		**Joint Announcement Date**	
Reference period	**VWAP (S$)**	**(Discount)/Premium of Consideration Unit Theoretical Issue Price over VWAP**	**VWAP (S$)**	**(Discount)/Premium of Consideration Unit Theoretical Issue Price over VWAP**
One-day prior	0.566	(4.59%)	0.525	2.86%
One-month prior	0.569	(5.10%)	0.533	1.31%
Three-month prior	0.562	(3.91%)	0.553	(2.35%)
Six-month prior	0.560	(3.57%)	0.560	(3.57%)
12-month prior	0.569	(5.10%)	0.564	(4.26%)
18-month prior	0.559	(3.40%)	0.563	(4.09%)
One-day post	0.581	(7.06%)	0.515	4.85%
Till the Latest Practicable Date	0.559	(3.40%)	0.506	6.72%

Source: Capital IQ

Note: The ESR-REIT Unit Price has been adjusted having regard to the Preferential Offering announced on 27 February 2018

Having benchmarked the Consideration Unit Theoretical Issue Price against the VWAP for varying periods preceding the Initial Announcement Date and the Joint Announcement Date, we observe as follows:

(a) the Consideration Unit Theoretical Issue Price is at a discount of 4.59% and premium of 2.86% over the last transacted day VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(b) the Consideration Unit Theoretical Issue Price is at a discount of 5.10% and premium of 1.31% over the one-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(c) the Consideration Unit Theoretical Issue Price is at a discount of 3.91% and 2.35% over the three-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(d) the Consideration Unit Theoretical Issue Price is at a discount of 3.57% over the six-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively;

(e) the Consideration Unit Theoretical Issue Price is at a discount of 5.10% and 4.26% over the 12-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively; and

(f) the Consideration Unit Theoretical Issue Price is at a discount of 3.40% and 4.09% over the 18-month VWAP prior to the Initial Announcement Date and the Joint Announcement Date, respectively.

Having benchmarked the Consideration Unit Theoretical Issue Price against the VWAP for varying periods after the Initial Announcement Date and the Joint Announcement Date, we observe as follows:

(a) the Consideration Unit Theoretical Issue Price is at a discount of 7.06% and premium of 4.85% over the first transacted day VWAP subsequent to the Initial Announcement Date and the Joint Announcement Date, respectively; and

(b) the Consideration Unit Theoretical Issue Price is at a discount of 3.40% and premium of 6.72% over the VWAP for the period from the Initial Announcement Date and the Joint Announcement Date till the Latest Practicable Date, respectively.

We have compared the VWAP of the ESR-REIT Units for the varying periods before the Latest Practicable Date, and compared them to the (discount)/premium implied by the Consideration Unit Theoretical Issue Price over the respective VWAPs.

Price comparison with reference to:	**Latest Practicable Date**	
Reference period	**VWAP (S$)**	**(Discount)/Premium of Consideration Unit Theoretical Issue Price over VWAP**
As at the Latest Practicable Date	0.515	4.85%
One-month prior	0.515	4.85%
Three-month prior	0.509	6.09%
Six-month prior	0.540	0.00%
12-month prior	0.548	(1.46%)
18-month prior	0.557	(3.05%)

Source: Capital IQ

Note: The ESR-REIT Unit Price has been adjusted having regard to the Preferential Offering announced on 27 February 2018

Having benchmarked the Consideration Unit Theoretical Issue Price against the VWAP for varying periods preceding the Latest Practicable Date, we observe as follows:

(a) the Consideration Unit Theoretical Issue Price is at a premium of 4.85% as at the Latest Practicable Date;

(b) the Consideration Unit Theoretical Issue Price is at a premium of 4.85% over the one-month VWAP prior to the Latest Practicable Date;

(c) the Consideration Unit Theoretical Issue Price is at a premium of 6.09% over the three-month VWAP prior to the Latest Practicable Date;



(d) the Consideration Unit Theoretical Issue Price is the same as the six-month VWAP prior to the Latest Practicable Date;

(e) the Consideration Unit Theoretical Issue Price is at a discount of 1.46% over the 12-month VWAP prior to the Latest Practicable Date; and

(f) the Consideration Unit Theoretical Issue Price is at a discount of 3.05% over the 18-month VWAP prior to the Latest Practicable Date.

We note that our analysis of the past price performance of the ESR-REIT Units is not indicative of the future price levels.

Analysis of multiples implied by the Consideration Unit Theoretical Issue Price as compared to ESR-REIT Comparable Trusts

We have compared the valuation ratios of ESR-REIT implied by the Consideration Unit Theoretical Issue Price with those of selected entities listed on SGX-ST, which in our view, are broadly comparable to ESR-REIT ("**ESR-REIT Comparable Trusts**").

We wish to highlight that the ESR-REIT Comparable Trusts are not exhaustive and there may not be any entity that is directly comparable to ESR-REIT in terms of, inter alia, market capitalisation, size of operations, clientele base, 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. As such, any comparison made with respect to the ESR-REIT Comparable Trusts is intended to serve as an illustrative guide only.

Please refer to the '*Analysis of multiples implied by the Scheme Consideration as compared to VIT Comparable Trusts*' for a brief description of the ESR-REIT Comparable Trusts.

For the purpose of evaluating the implied Consideration Unit Theoretical Issue Price multiples, we have made reference to the Distribution Yields and Price-to-Book ratios of the ESR-REIT Comparable Trusts.

The Distribution Yields and Price-to-Book ratios of the ESR-REIT Comparable Trusts set out are based on their last transacted prices as at the Latest Practicable Date.



Distribution Yield implied by the Consideration Unit Theoretical Issue Price as compared to ESR-REIT Comparable Trusts

ESR-REIT Comparable Trusts	Market Capitalisation (S$ m)	Last Transacted Price (S$)	Distribution per Unit (S$ cents)	Distribution Yield
Mid Capitalisation ESR-REIT Comparable Trusts				
AIMS AMP Capital Industrial REIT	959.8	1.400	10.30	7.36%
Cache Logistics Trust	830.2	0.775	6.06	7.82%
Viva Industrial Trust	868.4	0.890	7.46	8.38%
Soilbuild Business Space REIT	670.8	0.635	5.35	8.42%
Max				8.42%
Mean				7.99%
Median				**8.10%**
Min				7.36%
Large Capitalisation ESR-REIT Comparable Trusts				
Ascendas Real Estate Investment Trust	8,000.1	2.73	15.94	5.84%
Mapletree Industrial Trust	3,808.9	2.02	11.83	5.86%
Max				5.86%
Mean				5.85%
Median				**5.85%**
Min				5.84%
ESR-REIT Comparable Trusts				
Max				8.42%
Mean				7.28%
Median				**7.59%**
Min				5.84%
ESR-REIT *implied by the Consideration Unit Theoretical Issue Price*	**855.2**	**0.54**	**3.70**	**6.84%**

Source: Capital IQ and SGX-ST Announcements

Note: Distribution per Unit is for the last twelve months based on the financials announced on SGX-ST

Based on the table above, we observe as follows:

(a) The Distribution Yield of ESR-REIT implied by the Consideration Unit Theoretical Issue Price of 6.84% is within the range of the Distribution Yields of the ESR-REIT Comparable Trusts and is lower than the median distribution yield of the ESR-REIT Comparable Trusts of 7.59%;

(b) The Distribution Yield of ESR-REIT implied by the Consideration Unit Theoretical Issue Price of 6.84% is lower than the range of the Distribution Yields of the Mid Capitalisation ESR-REIT Comparable Trusts; and

(c) The Distribution Yield of ESR-REIT implied by the Consideration Unit Theoretical Issue Price of 6.84% is higher than the range of the Distribution Yields of the Large Capitalisation ESR-REIT Comparable Trusts.

Price-to-Book ratios implied by the Consideration Unit Theoretical Issue Price as compared to ESR-REIT Comparable Trusts

ESR-REIT Comparable Trusts	Market Capitalisation (S$ m)	Last Transacted Price (S$)	NAV per Unit (S$)	Price/Book
Mid Capitalisation ESR-REIT Comparable Trusts				
AIMS AMP Capital Industrial REIT	959.8	1.400	1.37	1.02x
Cache Logistics Trust	830.2	0.775	0.70	1.11x
Viva Industrial Trust	868.4	0.890	0.76	1.17x
Soilbuild Business Space REIT	670.8	0.635	0.63	1.01x
Max				1.17x
Mean				1.08x
Median				**1.06x**
Min				1.01x
Large Capitalisation ESR-REIT Comparable Trusts				
Ascendas Real Estate Investment Trust	8,000.1	2.73	2.04	1.34x
Mapletree Industrial Trust	3,808.9	2.02	1.47	1.37x
Max				1.37x
Mean				1.36x
Median				**1.36x**
Min				1.34x
ESR-REIT Comparable Trusts				
Max				1.37x
Mean				1.17x
Median				**1.14x**
Min				1.01x
ESR-REIT	**855.2**	**0.54**	**0.58**	**0.92x**
implied by the Consideration Unit Theoretical Issue Price				

Source: Capital IQ and SGX-ST Announcements

Note: NAV per Unit is for the last twelve months based on the financials announced on SGX-ST

Based on the table above, we observe as follows:

(a) The Price-to-Book ratio of ESR-REIT implied by the Consideration Unit Theoretical Issue Price of 0.92x is lower than the range of the Price-to-Book ratios of the ESR-REIT Comparable Trusts;

(b) The Price-to-Book ratio of ESR-REIT implied by the Consideration Unit Theoretical Issue Price of 0.92x is lower than the range of the Price-to-Book ratio of the Mid Capitalisation ESR-REIT Comparable Trusts; and

(c) The Price-to-Book ratio of ESR-REIT implied by the Consideration Unit Theoretical Issue Price of 0.92x is lower than the range of the Price-to-Book ratios of the Large Capitalisation ESR-REIT Comparable Trusts.

4.3 Other relevant factors

4.3.1 Relative historical price performance, Distribution Yields and Price-to-Book ratios of VIT and ESR-REIT

Given the relative similarities between both VIT and ESR-REIT, we have considered the implied Exchange Ratio based on the relative fair valuation of both VIT and ESR-REIT based on their respective historical price performance, Distribution Yields and Price-to-Book ratios.

We set out below the implied exchange ratio based on historical price performance, Distribution Yields and Price-to-Book ratios of VIT and ESR-REIT.

		Last Trading Day prices relative to the Joint Announcement Date		
	Reference period	**VIT (S$/Stapled Security)**	**ESR-REIT (S$/Unit)**	**Implied Swap Ratio**
Historical Price Performance	1-day VWAP	0.890	0.525	1.695x
	1-month VWAP	0.893	0.533	1.675x
	3-month VWAP	0.882	0.553	1.594x
	6-month VWAP	0.917	0.560	1.638x
	12-month VWAP	0.914	0.564	1.621x
	18-month VWAP	0.875	0.563	1.554x
	As at the Latest Practicable Date	0.890	0.515	1.728x
Trading Comps	**Implied Unit Prices (Median)**			
	VIT and ESR-REIT Comparables Trusts			
	Distribution Yield	$ 1.026	$ 0.487	2.107x
	Price/Book	$ 0.808	$ 0.665	1.214x
	Mid Cap VIT and ESR-REIT Comparable Trusts			
	Distribution Yield	$ 0.982	$ 0.456	2.153x
	Price/Book	$ 0.770	$ 0.621	1.240x
	Large Cap VIT and ESR-REIT Comparable Trusts			
	Distribution Yield	$ 1.275	$ 0.632	2.017x
	Price/Book	$ 1.030	$ 0.792	1.301x
Exchange Ratio		**0.96**	**0.54**	**1.778x**

Source: Distribution Yields and Price/Book ratios are based on the latest financials announced on SGX-ST

Note: The ESR-REIT Unit Price has been adjusted having regard to the Preferential Offering announced on 27 February 2018

Based on the table above, we observe as follows:

(a) The Exchange Ratio of 1.778x is at a premium over the exchange ratios computed based on the respective VWAP trading of VIT Stapled Securities and ESR-REIT Units, on the Last Trading Day prior to the Joint Announcement Date, as well as across the one-month, three-month, six-month, 12-month, and 18-month period.

(b) The Exchange Ratio of 1.778x is at a premium over the exchange ratio computed based on the respective trading of VIT Stapled Securities and ESR-REIT Units as at the Latest Practicable Date.

(c) The Exchange Ratio of 1.778x is at a premium over the exchange ratios computed based on the respective book values of VIT and ESR-REIT relative to the median valuation Price-to-Book ratios of the VIT and ESR-REIT Comparable Trusts, the VIT and ESR-REIT Comparable Mid Capitalisation Trusts and the VIT and ESR-REIT Comparable Large Capitalisation Trusts.

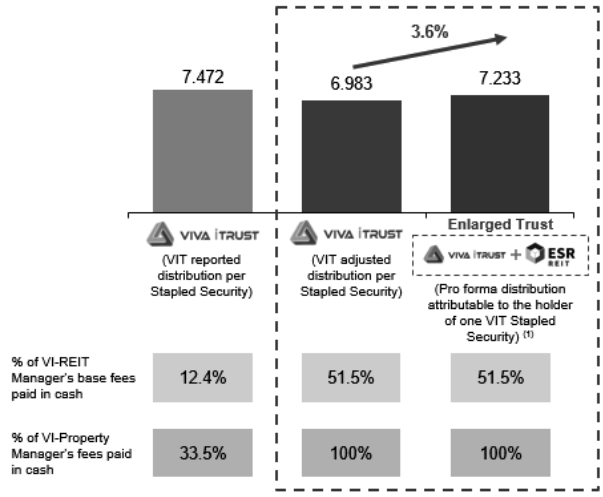
(d) The Exchange Ratio of 1.778x is at a discount to the exchange ratios computed based on the respective distribution yields of VIT and ESR-REIT relative to the median valuation Distribution Yield ratios of the VIT and ESR-REIT Comparable Trusts, the VIT and ESR-REIT Comparable Mid Capitalisation Trusts and the VIT and ESR-REIT Comparable Large Capitalisation Trusts.

4.3.2 Pro forma financial information

The Unaudited Pro Forma Consolidated Financial Information of the Enlarged Trust is provided in Appendix L of the Scheme Document, with additional information provided in Section 2.2 (a)(ii) of the Scheme Document.

We note that the information has been prepared based on various assumptions highlighted in Appendix L and section 2.2(a)(ii) of the Scheme Document.

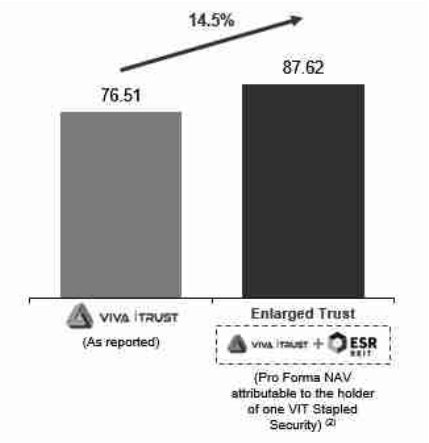
A comparison of the actual and pro forma distributions attributable to the holder of one Stapled Security are as follows:



[1] Calculated as the Enlarged Trust's pro forma DPU multiplied by the gross exchange ratio of 1.778 assuming that the cash component of the Scheme Consideration is used to purchase ESR-REIT Units at the issue price of S$0.54.

Assuming that the Merger had been completed on 1 January 2017, the pro forma distribution attributable to the holder of one Stapled Security for the financial year ended 31 December 2017 would be 7.233 cents. This is 3.6% higher than the pro forma distribution of 6.983 cents the holder of one Stapled Security would have received for the same period after aligning the proportion of the VI-REIT Manager's base fees and the VI-Property Manager's fees paid in cash to be on a like-for-like basis as compared to the Enlarged Trust.

A comparison of the actual and pro forma NAV attributable to the holder of one Stapled Security is as follows:



Assuming that the Merger had been completed on 31 December 2017, the pro forma NAV attributable to the holder of one Stapled Security as at 31 December 2017 would be 87.62 cents. This is 14.5% higher than the NAV per Stapled Security of VIT of 76.51 cents as at 31 December 2017.

[2] Calculated as the Enlarged Trust's pro forma NAV per unit as at 31 December 2017 multiplied by the gross exchange ratio of 1.778 assuming that the cash component of the Scheme Consideration is used to purchase ESR-REIT Units at the issue price of S$0.54.



4.3.3 Analysts' forecasts

We set out below a summary of the target price of both the Stapled Securities and the ESR-REIT Units, based on the expectations of independent research analysts.

Broker Reports	Date	Recommendation	Target Price or Fair Value
VIT			
OCBC Securities	21-May-18	ACCEPT OFFER	S$ 0.90
Maybank Kim Eng	21-May-18	HOLD	S$ 0.96
ESR-REIT			
CIMB	1-Jun-18	BUY	S$ 0.62
DBS	26-Apr-18	BUY	S$ 0.63

Source: Analyst Reports

Based on the above, we observe as follows:

(a) The Target Price or Fair Value of VIT is S$0.90 and S$0.96 by OCBC Securities and Maybank Kim Eng respectively. We note that the mean target price is S$0.93, which is 3.13% lower than the Scheme Consideration; and

(b) The Target Price or Fair Value of ESR-REIT is S$0.62 and S$0.63 by CIMB and DBS respectively. We note that the mean target price is S$0.625, which is 15.74% higher than the Consideration Unit Theoretical Issue Price.

4.3.4 Code of Collective Investment Schemes

We note that had the Merger been effected via an asset disposal, the acquisition price of VIT's assets may have been subject to the relevant limitations imposed by the Code of Collective Investment Schemes ("**CIS**") for interested party transactions which caps the acquisition price for such transactions to be no higher than two independent valuations.

As the Scheme would be considered an interested party transaction from ESR-REIT's perspective, an asset disposal may have capped the acquisition price at no higher than two independent valuations, which may have resulted in an offer price at a discount to VIT's current trading price given that VIT is currently trading at a premium to NAV.



4.3.5 Hyflux Membrane Manufacturing (S) Pte Ltd

We note that Hyflux Membrane Manufacturing (S) Pte Ltd ("**Hyflux MM**"), the registered lessee of 8 Tuas South Lane, Singapore which is owned by ESR-REIT, applied to the High Court of the Republic of Singapore to commence a court supervised process to reorganise their liabilities and businesses.

With the property valued at S$115 million and representing 6.8% of the rental income of ESR-REIT, we note the potential for ESR-REIT to incur significant losses in the event that Hyflux MM is unable to satisfy its obligations under its existing lease arrangements.

We note that ESR-REIT released an announcement dated 24 May 2018, informing the market:

(a) That all rental payments made by Hyflux MM have been prompt since the property was acquired in December 2017;

(b) That there were no arrears due from Hyflux MM; and

(c) That following discussions with Hyflux and its financial advisers, the ESR-REIT Manager believes that the property is essential to the continued operation of Hyflux Group's business and as such, expects that rental payments will continue throughout the reorganisation process.

In addition to the above, the ESR-REIT Manager noted that the property is well located and has been the subject of leasing interest and enquiries.

4.3.6 No other offers

We understand from the VIT Managers that, as at the Latest Practicable Date, no other offer has been made for VIT.



5 OUR OPINION

In arriving at our opinion to the VIT Independent Directors (Scheme) and the VI-REIT Trustee, we have carefully considered the financial information that has been made available to us, and the above factors set forth in this letter including, amongst other things, the following:

Rationale

- The rationale is considered to be reasonable.

Relative historical price performance, Distribution Yields and Price-to-Book ratios of VIT and ESR-REIT

- The Exchange Ratio of 1.778x is at a premium over the exchange ratios computed based on the respective VWAP trading of VIT Stapled Securities and ESR-REIT Units, on the Last Trading Day prior to the Joint Announcement Date, as well as across the one-month, three-month, six-month, 12-month, and 18-month period.

- The Exchange Ratio of 1.778x is at a premium over the exchange ratio computed based on the respective trading of VIT Stapled Securities and ESR-REIT Units as at the Latest Practicable Date.

- The Exchange Ratio of 1.778x is at a premium over the exchange ratios computed based on the respective book values of VIT and ESR-REIT relative to the median valuation Price-to-Book ratios of the VIT and ESR-REIT Comparable Trusts, the VIT and ESR-REIT Comparable Mid Capitalisation Trusts and the VIT and ESR-REIT Comparable Large Capitalisation Trusts.

- The Exchange Ratio of 1.778x is at a discount to the exchange ratios computed based on the respective distribution yields of VIT and ESR-REIT relative to the median valuation Distribution Yield ratios of the VIT and ESR-REIT Comparable Trusts, the VIT and ESR-REIT Comparable Mid Capitalisation Trusts and the VIT and ESR-REIT Comparable Large Capitalisation Trusts.

Analysts' forecasts

- The Target Price or Fair Value of VIT is S$0.90 and S$0.96 by OCBC Securities and Maybank Kim Eng respectively. We note that the mean target price is S$0.93, which is 3.13% lower than the Scheme Consideration; and

- The Target Price or Fair Value of ESR-REIT is S$0.62 and S$0.63 by CIMB and DBS respectively. We note that the mean target price is S$0.625, which is 15.74% higher than the Consideration Unit Theoretical Issue Price.



Hyflux Membrane Manufacturing (S) Pte Ltd

- Hyflux MM has applied to the High Court of the Republic of Singapore to commence a court supervised process to reorganise their liabilities and businesses. Should Hyflux MM be unable to satisfy its obligations under its existing lease arrangements, financial performance of the property may be affected as mentioned in Section 4.3.5 of this letter.

No other offers

- We understand from the VIT Managers that, as at the Latest Practicable Date, no other offer has been made for VIT.



Viva Industrial Trust Management Pte. Ltd.
Viva Asset Management Pte. Ltd.
Independent Financial Advice - Scheme
7 August 2018

Having carefully considered the information available to us and our analysis set out above, we are of the view that the Scheme is fair and reasonable from a financial point of view.

In rendering the above opinion, we have not taken into consideration any general or specific investment objectives, financial situation, risk profile, tax position or particular needs and constraints of any individuals. We advise the VIT Independent Directors (Scheme) to advise any individuals who may require specific advice in relation to their investment portfolio to consult their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

Our opinion is only based on a financial analysis and 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 any relevant securities may trade following close of the Scheme. Such factors (including the aforesaid illustrations) are beyond the ambit of our review and do not fall within our terms of reference in connection with the Scheme. We wish to emphasise that we have been appointed to render our opinion as at the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of VIT or ESR-REIT.

This opinion is delivered pursuant to the Code and Rule 1309(2) of the Listing Manual. Nothing herein shall confer or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore shall not apply. The recommendation made by the VIT Independent Directors (Scheme) in relation to the Scheme remains the sole responsibility of the VIT Independent Directors (Scheme).

Yours faithfully

for and on behalf of

KPMG Corporate Finance Pte Ltd

Vishal Sharma
Executive Director

Jeremy Bogue
Director



VIT Independent Directors (VIT Facilitation Fee)

Viva Industrial Trust Management Pte. Ltd.
(as REIT manager of Viva Industrial Real Estate Investment Trust)

Viva Asset Management Pte. Ltd.
(as BT trustee-manager of Viva Industrial Business Trust)

Both of 750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Perpetual (Asia) Limited
(as trustee of Viva Industrial Real Estate Investment Trust)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

7 August 2018

Dear Sirs

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO VIT FACILITATION FEE AMENDMENTS

*For the purposes of this letter, capitalised terms not otherwise defined herein shall have the same meaning given as in the scheme document dated 7 August 2018 (the "**Scheme Document**") of Viva Industrial Trust in relation to, inter alia, the above matters*

1 INTRODUCTION

On 18 May 2018, the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), Viva Industrial Trust Management Pte. Ltd., as manager of Viva Industrial Real Estate Investment Trust ("**VI-REIT**", and the manager of VI-REIT, the "**VI-REIT Manager**") and Viva Asset Management Pte. Ltd., as trustee-manager of Viva Industrial Business Trust ("**VI-BT**" and collectively with VI-REIT, the stapled group, Viva Industrial Trust or "**VIT**", and the trustee-manager of VI-BT, the "**VI-BT Trustee-Manager**", and collectively with the VI-REIT Manager, the "**VIT Managers**") announced the proposed merger (the "**Merger**") of all the issued and paid-up stapled securities (the "**Stapled Securities**") of VIT held by the stapled securityholders of VIT (the "**Stapled Securityholders**") and the units in ESR-REIT (the "**ESR-REIT Units**") held by the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**"). The Merger will be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of a trust scheme of

KPMG Corporate Finance Pte Ltd (Registration No: 198500417D), is a Singapore incorporated company and associated with KPMG, the Singapore member firm of KPMG International, a Swiss cooperative.



arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**").

In connection with the Scheme, the ESR-REIT Manager, RBC Investor Services Trust Singapore Limited (as trustee of ESR-REIT) (the "**ESR-REIT Trustee**"), the VIT Managers and Perpetual (Asia) Limited (as trustee of VI-REIT) (the "**VI-REIT Trustee**") (each, a "**Party**" and collectively the "**Parties**") entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Parties will implement the Scheme.

Incidental to the Implementation Agreement, the VIT Managers propose to enter into supplemental trust deeds (collectively, the "**Supplemental Trust Deeds**") to amend the first amended and restated trust deed dated 14 October 2013 constituting VI-REIT (amending and restating the trust deed dated 23 August 2013 constituting VI-REIT) (the "**VI-REIT Trust Deed**"), the trust deed dated 14 October 2013 constituting VI-BT (the "**VI-BT Trust Deed**"), and the stapling deed dated 14 October 2013 stapling the VI-REIT units and the VI-BT units together to form the Stapled Securities (the "**Stapling Deed**" and together with the VI-REIT Trust Deed and the VI-BT Trust Deed, the "**VIT Trust Deeds**"), to include provisions to facilitate the implementation of the Scheme as set out in part 1 of Schedule 1 (the "**VIT Trust Scheme Amendments**") of the Joint Announcement.

In recognition of the services that the VI-REIT Manager renders to VIT in connection with the Merger and the Scheme, the VIT Managers propose to include, in the VI-REIT Trust Deed, amendments as set out in part 2 of Schedule 1 of the Joint Announcement (the "**VIT Facilitation Fee Amendments**") to provide for a facilitation fee of 0.25% of the Scheme Consideration (the "**VIT Facilitation Fee**", and amounting to S$2.3 million) which shall be payable to the VI-REIT Manager if the Scheme becomes effective in accordance with its terms.

The approval of Stapled Securityholders holding in aggregate not less than three-fourths of the total number of votes cast for and against the resolution is required for the VIT Facilitation Fee Amendments.

To comply with the requirements of Rule 921 of the Listing Manual, the VIT Managers and the VI-REIT Trustee have appointed KPMG Corporate Finance Pte. Ltd. ("**KPMG Corporate Finance**") as the independent financial adviser (the "**VIT IFA**") to advise the directors of the VIT Managers who are considered independent for the purposes of the VIT Facilitation Fee Amendments (the "**VIT Independent Directors (VIT Facilitation Fee)**") and the VI-REIT Trustee as to whether the VIT Facilitation Fee Amendments are on normal commercial terms and not prejudicial to the interests of VIT and its minority Stapled Securityholders.

The objective of this letter is to advise the VIT Independent Directors (VIT Facilitation Fee) and the VI-REIT Trustee as to whether the VIT Facilitation Fee Amendments are on normal commercial terms and not prejudicial to the interests of VIT and its minority Stapled Securityholders under the requirements of Rule 921 of the Listing Manual.



2 TERMS OF REFERENCE

KPMG Corporate Finance has been appointed by the VIT Managers and the VI-REIT Trustee to advise the VIT Independent Directors (VIT Facilitation Fee) and the VI-REIT Trustee as to whether the VIT Facilitation Fee Amendments are on normal commercial terms and not prejudicial to the interests of VIT and its minority Stapled Securityholders. We were neither a party to any negotiations in relation to the VIT Facilitation Fee Amendments, nor were we involved in any deliberations leading up to the decision to approve the amendment and their subsequent actions relating thereof. This letter is addressed to the VIT Independent Directors (VIT Facilitation Fee) and the VI-REIT Trustee for their benefit in connection with and for the purposes of their consideration of the VIT Facilitation Fee Amendments, and any recommendations made by them to the Stapled Securityholders shall remain the responsibility of the VIT Independent Directors (VIT Facilitation Fee).

Our terms of reference do not require us to evaluate or comment on the legal, commercial and financial risks and/or merits of the VIT Facilitation Fee Amendments. Such evaluations or comments, if any, remain the responsibility of the directors and managers of the VIT Managers, although we may draw upon their views 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.

We are not obliged, and we have not solicited, any indications of interest from any third party with respect to any other proposal similar to or in lieu of the VIT Facilitation Fee Amendments. We are therefore not addressing the relative merits of them as compared to any alternative transaction (if any) previously considered by VIT and/or which otherwise may be available to VIT in the future.

In rendering advice in relation to the VIT Facilitation Fee Amendments, 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 Stapled Securityholders. As each Stapled Securityholders would have different investment objectives and profiles, we would advise the VIT Independent Directors (VIT Facilitation Fee) to recommend that any individual Stapled Securityholder 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.

In arriving at our opinion, we have conducted discussions with the directors and managers of the VIT Managers, and have relied to a considerable extent on the information set out in the Joint Announcement and the Scheme Document, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by VIT and its other professional advisers. We have relied upon and assumed the accuracy without having independently verified such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us.

The information which we relied on was based upon market, economic, industry, monetary and other conditions prevailing as at 27 July 2018 (the "**Latest Practicable Date**"). The information and circumstances may change significantly over a relatively short period of time. We assume no

responsibility to update, revise, or affirm our opinion in light of any subsequent development after the Latest Practicable Date, even if such subsequent developments may affect our opinion contained herein.

We have relied upon the responsibility statement that the Scheme Document has been reviewed and approved by the directors of the VIT Managers (including those who may have delegated detailed supervision of the Scheme Document) who have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Scheme Document are fair and accurate and that no material facts has been omitted, the omission of which would make any statement in the Scheme Document (other than this letter) misleading, and they jointly and severally accept responsibility accordingly.

VIT has been separately advised by its own advisers in the preparation of the Scheme Document (other than this IFA letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Scheme Document (other than this letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Scheme Document (other than this letter).

Our opinion in relation to the VIT Facilitation Fee Amendments, should be considered in the context of the entirety of this IFA letter and the Scheme Document.

3 DETAILS OF THE VIT FACILITATION FEE AMENDMENTS

Information on the VIT Facilitation Fee Amendments is set out in section 4 of the Scheme Document.

4 OUR EVALUATION

In arriving at our opinion in relation to the VIT Facilitation Fee Amendments, we have taken into account the following key factors:

4.1 Rationale

"Subject to approval from the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting pursuant to the VI-REIT Trust Deed, the VI-REIT Manager intends to enter into a Supplemental Trust Deed with the VI-REIT Trustee to amend the VI-REIT Trust Deed so that the VIT Facilitation Fee of 0.25% of the Scheme Consideration (amounting to approximately S$2.3 million) may be paid by VIT to the VI-REIT Manager if the Scheme becomes effective in accordance with its terms.

The Merger and the Scheme are generally outside the scope of the VI-REIT Manager's mandate, which is to manage VI-REIT and its business. At the time of the establishment of VI-REIT, a transaction in the nature of the Merger and the Scheme was not contemplated, and as a consequence, under the VI-REIT Trust Deed, no fee was included to be payable to the VI-REIT Manager in the event that a transaction in the nature of the Merger and the Scheme was effected in respect of VI-REIT.

Accordingly, by analogy, in view of the significant efforts required and the costs and expenses incurred by the VI-REIT Manager in negotiating and facilitating the Merger and the Scheme which are not reimbursed by VI-REIT to the VI-REIT Manager, it is proposed that in the event the Merger and the Scheme is effected, the VI-REIT Manager be paid the VIT Facilitation Fee in cash in recognition of the services that the VI-REIT Manager renders to VIT in connection with the Merger and the Scheme."

The rationale has been reviewed and is considered to be reasonable.

4.2 Current fee structure

The following fees are applicable to VI-REIT:

Company	Base and Performance Fee	Acquisition and Divestment Fee (% of acquisition or sale price)	Development/ Project Management ("DM"/"PM") Fee	Other Fees
Viva Industrial Trust	**Base Fee**: Not exceeding the rate of 10.0% per annum of the Distributable Income **Performance Fee**: 25.0% per annum of the	**Acquisition Fee**: 1.0% **Divestment Fee**: 0.5%	**DM Fee**: 3.0% of total project costs incurred in a development project **PM Fee**: 3.0% of construction costs, where	**Property Management Fee**: 2.0% per annum of the gross revenue of each property (except for the hotel leased premises of UE BizHub EAST)



Company	Base and Performance Fee	Acquisition and Divestment Fee (% of acquisition or sale price)	Development/ Project Management ("DM"/"PM") Fee	Other Fees
	difference in Distribution per Stapled Security of VIT in a financial year with its preceding financial year multiplied by the weighted average number of stapled securities in issue for such financial year		the construction costs are S$2.0m or less; 2.0% of construction costs, where the construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, where the construction costs exceed S$20.0m but do not exceed S$50.0m; and 1.4% of construction costs, where the construction costs exceed S$50.0m	**Lease Management Fee**: 1.0% per annum of the gross revenue of each property **Marketing Services Fee**: Up to 2.4 months' gross rent depending of the type of tenancy (new or renewal), whether a third party secures the tenancy and the tenure of the tenancy **Property Tax Services Fee**: Between 5.0% and 7.5% of the property tax savings depending on the property tax savings achieved

Source: Company Annual Report

We understand from the VIT Managers that the Merger transaction to be effected pursuant to the Scheme will not qualify as divestment under the current agreement and accordingly, no 'divestment fee' would be payable.

We have reviewed the fee arrangements of selected entities listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"), which in our view, are broadly comparable to VI-REIT ("**VI-REIT Comparable Trusts**").

Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/ Project Management ("DM"/"PM") Fee	Other Fees
ESR-REIT	**Base Fee**: 0.5% per annum of the value of the Deposited Property **Performance Fee**: 25.0% of the growth in DPU for such financial year multiplied by the weighted average number of units in issue for such financial year	**Acquisition Fee**: 1.0% **Divestment Fee**: 0.5%	**PM Fee**: 3.0% of construction costs, if construction costs are S$2.0m or less; 2.0% of construction costs, if construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, if construction costs exceed S$20.0m but do not exceed S$50.0m; and	**Property Management Fee**: 2.0% per annum of the gross revenue of the relevant property **Lease Management Fee**: 1.0% per annum of the gross revenue of the relevant property **Marketing Services Commission**: Between



Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/ Project Management ("DM"/"PM") Fee	Other Fees
			mutually agreed by the manager and the property manager and the trustee if the construction costs exceed S$50.0m	half and two month's gross rent depending of the type (new or renewal) and tenure of the tenancy **Property Tax Services Fee**: Between 5.0% and 7.5% of the property tax savings depending on the property tax savings achieved
AIMS AMP Capital Industrial REIT	**Base Fee**: 0.5% per annum of the value of the Deposited Property **Performance Fee**: 0.1% per annum of the value of the Deposited Property, if annual DPU growth exceeds 2.5%; and 0.2% per annum if annual DPU growth exceeds 5.0%	**Acquisition Fee**: 1.0% **Divestment Fee**: 0.5%	**PM Fee**: 3.0% of construction costs, if construction costs are S$2.0m or less; 2.0% of construction costs, if construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, if construction costs exceed S$20.0m but do not exceed S$50.0m; and fees mutually agreed by the manager, property manager and the trustee if the construction costs exceed S$50.0m	**Property Management Fee**: 2.0% per annum of the rental income of each of the relevant properties **Lease Management Fee**: 1.0% per annum of the rental income of each of the relevant properties **Marketing Services Commission**: Up to 2.4 months' gross rent depending of the type (new or renewal), type of agent securing the tenancy and the tenure of the tenancy **Property Tax Services Fee**: Between 5.0% and 7.5% of the property tax savings depending on the property tax savings achieved
Cache Logistics Trust	**Base Fee**: 0.5% per annum of the value of the consolidated assets **Performance Fee**: 1.5% per annum of the net property income	**Acquisition Fee**: 1.0% **Divestment Fee**: 0.5%	Not available	**Property Management Fee**: 2.0% per annum of gross revenue of each property (For Singapore and China properties) **Lease Management Fee**: 1.0% per annum of gross revenue for each property



Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/ Project Management ("DM"/"PM") Fee	Other Fees
				(For Singapore and China properties) **Property and Lease Management Fee**: 2.0% pre annum of net rental income of each property (For Australian properties)
Soilbuild Business Space REIT	**Base Fee**: Not exceeding 10.0% per annum of the annual distributable income of the Trust **Performance Fee**: 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year multiplied by the weighted average number of Units in issue for such financial year	**Acquisition Fee**: 1.0% **Divestment Fee**: 0.5%	**DM Fee**: 3.0% of the total project costs incurred in development projects **PM Fee**: 3.0% of construction costs, if construction costs are S$2.0m or less; 2.15% of construction costs, if construction costs exceed S$2.0m but do not exceed S$12.0m; 1.45% of construction costs, if construction costs exceed S$12.0m but do not exceed S$40.0m; 1.4% of construction costs, if construction costs exceed S$40.0m but do not exceed S$70.0m; 1.35% of construction costs, if construction costs exceed S$70.0m but do not exceed S$100.0m; and fees mutually agreed by the manager, property manager and the trustee if the construction costs exceed S$100.0m	**Lease Management Fee**: 1.0% per annum of the gross revenue of the relevant property **Lease Renewal Commission**: Up to 1.5 month's gross rent depending of the tenure of the tenancy **Property Management Fees**: 2.0% per annum of gross revenue of each property **Marketing Services Commissions Fee for new leases**: Up to three months' gross rent depending on the tenure of the tenancy
Ascendas Real Estate Investment Trust	**Base Fee**: 0.5% per annum of the Deposited Property **Performance Fee**: (i) 0.1% per annum of the Deposited Property, if the	**Acquisition Fee**: 1.0% **Divestment Fee**: 0.5%	**DM Fee**: Not exceeding 3.0% of the total project costs incurred in development projects	**Property Management Services Fee**: 2.0% per annum of adjusted gross revenue of each property



Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/ Project Management ("DM"/"PM") Fee	Other Fees
	annual growth in DPU in a given financial year exceeds 2.5%; and (ii) an additional 0.1% per annum of the Deposited Property, provided that the growth in DPU in a given financial year exceeds 5.0%		**PM Fee**: 3.0% of construction costs, if construction costs are S$2.0m or less; 2.15% of construction costs, if construction costs exceed S$2.0m but do not exceed S$12.0m; 1.45% of construction costs, if construction costs exceed S$12.0m but do not exceed S$40.0m; 1.4% of construction costs, if construction costs exceed S$40.0m but do not exceed S$70.0m; 1.35% of construction costs, if construction costs exceed S$70.0m but do not exceed S$100.0m; and fees mutually agreed by the manager, property manager and the trustee if the construction costs exceed S$100.0m	**Marketing Services Commissions for new leases**: Up to two months' gross rent depending on the tenure of the tenancy **Energy Audit Services Fee**: Up to a maximum of S$40,000 per property depending on the amount of cost savings achieved **Car Park Management Services Fee**: S$2.16m per annum and 40.0% of hourly parking collections for such car parks **Lease Management Fees**: 1.0% per annum of the adjusted gross revenue of each property **Lease Renewal Fees**: Up to one month's gross rent **New Tenancy Fees**: Up to two months' gross rent **Property Tax Services Fee**: Between 5.0% and 7.5% of the property tax savings depending on the proposed annual value for the relevant property **Strategic Management Services Fee**: 1.0% per annum of the adjusted gross revenue of each property (For Australia properties)
Mapletree Industrial Trust	**Base Fee**: 0.5% per annum of the value of Deposited Property	**Acquisition Fee**: Not exceeding 1.0%	**DM Fee**: Not exceeding 3.0% of the total project	**Property Management Services Fee**: Up to 2.0%



Company	Base and Performance Fee	Acquisition and Divestment Fee	Development/ Project Management ("DM"/"PM") Fee	Other Fees
	Performance Fee: 3.6% per annum of the net property income of Mapletree Industrial Trust	**Divestment Fee**: Not exceeding 0.5%	costs incurred in a development project **PM Fee**: 3.0% of construction costs, if construction costs are S$2.0m or less; 2.0% of construction costs, if construction costs exceed S$2.0m but do not exceed S$20.0m; 1.5% of construction costs, if construction costs exceed S$20.0m but do not exceed S$50.0m; and mutually agreed by the manager and the property manager and the trustee if the construction costs exceed S$50.0m	per annum of gross revenue of each property **Lease Management Fee**: Up to 1.0% per annum of the gross revenue of the relevant property **Marketing Services Commission**: Up to 2.4 months' gross rent depending of the type of agent securing the tenancy and the tenure of the tenancy

Source: Company Annual Report

We note that it is fairly typical for the REIT managers to have fee arrangements which include a base management fee, a performance fee, acquisition fee, divestment fee and in some instances, a developmental management fee.

The fee arrangements that we observed for VI-REIT Comparable Trusts, do not however include any specific reference to a facilitation fee.

4.3 Comparable transactions

We have sought to identify past instances wherein new management fee arrangements were proposed in broadly similar circumstances and have identified two examples:

1. In 2012, Macquarie International Infrastructure Fund Limited ("**MIIFL**"), then listed on the SGX-ST, concluded that it would undertake a revised strategy with the view of divesting its businesses and winding up the company.

   MIIFL proposed to amend its management agreement to be better aligned with its revised course of action by reducing its base management fee, removing its performance fee and introducing a success fee.

2. In 2016, Saizen Real Estate Investment Trust ("**Saizen REIT**"), then listed on the SGX-ST, concluded that it would dispose of its entire property portfolio, following which Saizen REIT and its manager would cease to have any operating business.

The manager and trustee of Saizen REIT proposed to enter into a supplemental deed of trust to incorporate a fee in recognition of services that the manager would render in respect of the disposal of the entire property portfolio of Saizen REIT. The supplemental fee, which was 0.23% of the purchase consideration, was payable in addition to a divestment fee of 0.3% of the purchase consideration.

Each real estate investment trust, business trust or fund has unique circumstances in relation to the fee arrangement with their managers, with different bases upon which certain fees are calculated. This presents difficulties in establishing a comparative basis with the proposed VIT Facilitation Fee Amendments. Attempts to compare these fees arrangements would be subject to a number of assumptions, several of which are subjective in nature.

We note that in the forgoing examples the intention of the amendments to the fee arrangements was to allow the respective managers to, inter alia, perform an additional scope of work in relation to the divestment of existing assets or to align with the strategy.

4.4 VIT Facilitation Fee versus divestment fee

We note that the VIT Facilitation Fee of 0.25% of the Scheme Consideration is lower than the 0.50% asset divestment fee which would be applicable under the existing arrangements had the Merger been effected via an asset disposal instead of a Scheme.

The VI-REIT Manager has pursued a course of action despite it resulting in the forgoing of the 0.50% asset divestment fee. The VI-REIT Manager has pursued this course of action despite having to provide, in its opinion, a quantum of additional work greater than what would have been required in divesting its assets.

4.5 Payment of VIT Facilitation Fee

For the avoidance of doubt, subject to the approval by the Stapled Securityholders of the VIT Facilitation Fee Amendments, the VIT Facilitation Fee will be paid by VIT to the VI-REIT Manager and there will not be any reduction to the Scheme Consideration. The VIT Facilitation Fee will be made in cash.



5 OUR OPINION

Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the VIT Facilitation Fee Amendments are on normal commercial terms and are not prejudicial to VIT and its minority Stapled Securityholders.

This letter is delivered pursuant to Rule 921 of the Listing Manual. Nothing herein shall confer or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore shall not apply.

Any recommendations to be made by the VIT Independent Directors (VIT Facilitation Fee) to the Stapled Securityholders shall remain their responsibility.

A copy of this letter may be reproduced in the Scheme Document.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

for and on behalf of

KPMG Corporate Finance Pte Ltd

Vishal Sharma
Executive Director

Jeremy Bogue
Director

APPENDIX C — LETTER FROM THE VIT IFA TO THE VIT INDEPENDENT DIRECTORS (SCHEME) AND TO THE VI-REIT TRUSTEE IN RESPECT OF THE VI-REIT MANAGER TRANSACTION



VIT Independent Directors (Scheme)

Viva Industrial Trust Management Pte. Ltd.
(as REIT manager of Viva Industrial Real Estate Investment Trust)

Viva Asset Management Pte. Ltd.
(as BT trustee-manager of Viva Industrial Business Trust)

Both of 750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Perpetual (Asia) Limited
(as trustee of Viva Industrial Real Estate Investment Trust)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

7 August 2018

Dear Sirs

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO ACQUISITION OF VIVA INDUSTRIAL TRUST MANAGEMENT PTE LTD

*For the purposes of this letter, capitalised terms not otherwise defined herein shall have the same meaning given as in the scheme document dated 7 August 2018 (the "**Scheme Document**") of Viva Industrial Trust in relation to, inter alia, the above matters*

1 INTRODUCTION

On 18 May 2018, the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), Viva Industrial Trust Management Pte. Ltd., as manager of Viva Industrial Real Estate Investment Trust ("**VI-REIT**", and the manager of VI-REIT, the "**VI-REIT Manager**") and Viva Asset Management Pte. Ltd., as trustee-manager of Viva Industrial Business Trust ("**VI-BT**" and collectively with VI-REIT, the stapled group, Viva Industrial Trust or "**VIT**", and the trustee manager of VI-BT, the "**VI-BT Trustee-Manager**", and collectively with the VI-REIT Manager, the "**VIT Managers**") announced the proposed merger (the "**Merger**") of all the issued and paid-up stapled securities (the "**Stapled Securities**") of VIT held by the stapled securityholders of VIT (the "**Stapled Securityholders**") and the units in ESR-REIT (the "**ESR-REIT Units**") held by the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**"). The Merger will be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**").

KPMG Corporate Finance Pte Ltd (Registration No: 198500417D), is a Singapore incorporated company and associated with KPMG, the Singapore member firm of KPMG International, a Swiss cooperative.



In connection with the Scheme, the ESR-REIT Manager, RBC Investor Services Trust Singapore Limited (as trustee of ESR-REIT) (the "**ESR-REIT Trustee**"), the VIT Managers and Perpetual (Asia) Limited (as trustee of VI-REIT) (the "**VI-REIT Trustee**") (each, a "**Party**" and collectively the "**Parties**") entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Parties will implement the Scheme.

Incidental to the Implementation Agreement, the ESR-REIT Manager in its own capacity as purchaser has executed a put and call option agreement ("**PCOA**") with, inter alia, VIM as vendor, to acquire all of the issued shares of the VI-REIT Manager held by VIM (the "**VI-REIT Manager Transaction**"), for an aggregate consideration of S$62.0 million ("**Purchase Consideration**").

The consideration for the VI-REIT Manager Transaction will be paid by the ESR-REIT Manager by a combination of cash and promissory notes to VIM. The shareholders of VIM are Maxi Capital Pte. Ltd. ("**Maxi**"), Ho Lee Group Pte Ltd ("**HLGPL**") and Justice Offshore Holdings (BVI) Limited. Maxi is currently owned by SSPL, Mr. Wilson Ang Poh Seong, Mr. Victor Song Chern Chean and Mr. Frank Ng Tze Wei.

To comply with the requirements of the Securities Industry Council of Singapore ("**SIC**") letter dated 8 May 2018, the VIT Managers and the VI-REIT Trustee have appointed KPMG Corporate Finance Pte. Ltd. ("**KPMG Corporate Finance**") as the independent financial adviser (the "**VIT IFA**") to advise the directors of the VIT Managers who are considered independent for the purposes of the VI-REIT Manager Transaction (the "**VIT Independent Directors (Scheme)**") and the VI-REIT Trustee as to whether the VI-REIT Manager Transaction is priced at a level higher than the fair market value of the VI-REIT Manager.

The objective of this letter is to advise the VIT Independent Directors (Scheme) and the VI-REIT Trustee as to whether the VI-REIT Manager Transaction is priced at a level higher than the fair market value of the VI-REIT Manager under the requirements of the SIC letter dated 8 May 2018.



2 TERMS OF REFERENCE

KPMG Corporate Finance has been appointed by the VIT Managers and the VI-REIT Trustee to advise the VIT Independent Directors (Scheme) and the VI-REIT Trustee as to whether the VI-REIT Manager Transaction is priced at a level higher than the fair market value of the VI-REIT Manager.

We have confined our evaluation to the financial terms and it is not within our terms of reference to evaluate or comment on the strategic, commercial merits and/or commercial risks of the VI-REIT Manager Transaction. Such evaluations and comments remain the sole responsibility of the directors and managers of the VIT Managers, although we may draw upon their views 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.

We have not been instructed or authorised to solicit, and we have not solicited any indications of interest from any third party with respect to the VI-REIT Manager Transaction. Accordingly, we do not express an opinion on the relative merits of the VI-REIT Manager Transaction as compared to any other alternative transactions.

In the course of our evaluation of the financial terms of the VI-REIT Manager Transaction, we have held discussions with the directors and managers of the VIT Managers and have examined information provided by the VIT Managers and other publicly available information collated by us as well as representations made, both written and verbal, by the directors and managers of the VIT Managers. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information and representations. Notwithstanding the foregoing, we have made enquiries and used our judgment as we deemed necessary or appropriate in assessing the relevant information and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the VIT Managers that they have taken all reasonable care to ensure that the facts stated in the Joint Announcement and the Scheme Document are true, complete and accurate and no material facts have been omitted from the Joint Announcement and the Scheme Document. The VIT Managers have confirmed to us that to the best of their knowledge and belief, all material information relating to the Joint Announcement and the Scheme Document and the VI-REIT Manager Transaction have been disclosed to us, that such information is true, complete and accurate in all material respects and there are no other material information and facts the omission of which would render any statement in the Joint Announcement and the Scheme Document misleading in any material respect.

For the purposes of assessing the financial terms of the VI-REIT Manager Transaction, we have not relied on any financial projections or forecasts. We are not required to express and we do not express any view on the growth prospects and earnings potential of the relevant companies in connection with our opinion herein. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities of the VI-REIT Manager.



Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our analysis of the information provided to us by the VIT Managers, as at 27 July 2018 (the "**Latest Practicable Date**"). Such conditions may change significantly over a short period of time. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent event after the Latest Practicable Date.

Stapled Securityholders should take note of any announcement relevant to their consideration of the VI-REIT Manager Transaction released after the Latest Practicable Date.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any parties. Parties who may require specific advice should consult their solicitor, accountant or other professional advisers.

The VIT Managers have been separately advised by its other advisers in the preparation of the Scheme Document (other than this letter). We were not involved in and have not provided any advice whatsoever in the preparation and verification of the Scheme Document (other than this letter). Accordingly, we take no responsibility for, and express no views, express or implied, on the contents of the Scheme Document (other than this letter).

Our advice in relation to the VI-REIT Manager Transaction should be considered in the context of the entirety of this letter and the Scheme Document.



3 DETAILS OF THE VI-REIT MANAGER TRANSACTION

Information on the VI-REIT Manager Transaction is set out in section 2.11 of the Scheme Document.

4 OUR EVALUATION

In arriving at our opinion in relation to whether the VI-REIT Manager Transaction is priced at a level higher than the fair market value of the VI-REIT Manager, we have taken into account the following key factors:

4.1 Financial terms of the VI-REIT Manager Transaction

In assessing whether the VI-REIT Manager Transaction is priced at a level higher than the fair market value of the VI-REIT Manager, we have considered the following:

(i) the benchmarking comparison of the Purchase Consideration with public information available on the traded prices of selected real estate fund management companies which are broadly comparable to the VI-REIT Manager (the "**Comparable Companies**"); and

(ii) valuation multiples of acquisitions of selected real estate fund management companies ("**Precedent Transactions**").

We wish to highlight that unless specified otherwise, the underlying financial and market data used in our analysis, including securities prices and foreign exchange rates have been extracted from S&P Capital IQ, SGXNET and/or other public filings as at the Latest Practicable Date, or provided by the VIT Managers, where relevant. KPMG Corporate Finance makes no representation or warranties, express or implied, as to the accuracy or completeness of such information save that where applicable, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Valuation Ratios

We have applied the following valuation multiples in our analysis:

(i) **EV/AUM**: The "**EV/AUM**" or "**enterprise value to assets under management**" percentage illustrates the enterprise value of the company relative to its assets under management ("**AUM**").

(ii) **EV/EBITDA**: "**EV**" or "**enterprise value**" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents.

"**EBITDA**" stands for earnings before interest, tax, depreciation and amortisation expenses.

The EV/EBITDA multiple illustrates the market value of a company's business relative to its pre-tax operating cash flow performance, without regard to the company's capital structure.

Benchmarking the Purchase Consideration against Comparable Companies

For the purpose of comparison, we have assessed the reasonableness of the Purchase Consideration for the VI-REIT Manager Transaction by comparing the valuation multiples for



the VI-REIT Manager Transaction implied by the Purchase Consideration with those of the selected Comparable Companies.

We wish to highlight that the Comparable Companies are not exhaustive and may differ from the VI-REIT Manager in terms of, inter alia, size of operations, composition of 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. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

The valuation multiples of the VI-REIT Manager (as implied by the Purchase Consideration) and the Comparable Companies set out below are based on their respective last transacted security prices as at the Latest Practicable Date.

A comparison of the VI-REIT Manager Transaction against the Comparable Companies is set out below.



Comparable Companies				
Company	**Business Description**	**Market Capitalisation (S$ m)**	**EV/AUM**	**EV/EBITDA**
Charter Hall Group	Charter Hall Group owns and manages 332 commercial properties around Australia, including office buildings, supermarket anchored retail centres, and a rapidly growing stable of industrial assets, on behalf of institutional, wholesale and retail investors. It is listed in Australia.	3,147.0	13.95%	12.10x
Cohen & Steers, Inc.	Cohen & Steers is a global investment manager specializing in liquid real assets, including real estate securities, listed infrastructure, commodities and natural resource equities, as well as preferred securities and other income solutions. It is listed in the United States of America.	2,657.1	3.03%	11.01x
Kenedix, Inc.	Kenedix, Inc. specialises in the real estate fund business: Managing private funds for its clients - pension funds, domestic institutional investors, overseas investors, and J-REITs. It provides diversified investment opportunities and quality asset management services in the Japanese real estate market to investors around the world. It is listed in Japan.	1,798.7	8.99%	14.04x
Folkestone Limited	Folkestone Limited is a real estate funds manager and developer providing real estate wealth solutions. On a portfolio level, it actively acquires, manages, and re-balances its portfolio of assets to deliver sound investment returns; while on the asset level, it adopts a strategic and active approach in managing assets that create long term value. It is listed in Australia.	167.3	10.04%	6.73x
Augusta Capital Limited	Augusta Capital Limited is a property funds management specialist, managing assets involving office, retail and industrial properties throughout New Zealand and Australia. Besides solely buying assets, it also helps to fund and/or develop them - targeting opportunities with robust, long-term investment fundamentals spanning multiple sectors of the economy. It is listed in New Zealand.	89.5	7.16%	12.66x
Viva Industrial Trust Management Pte. Ltd.		62.0	4.19%	9.64x
Min			3.03%	6.73x
Median			**8.99%**	**12.10x**
Mean			8.63%	11.31x
Max			13.95%	14.04x

Sources: S&P Capital IQ, Annual Reports, Company websites & latest publicly available financial information of the respective Comparable Companies

Based on the above, we note that:

(i) the EV/AUM of the VI-REIT Manager implied by the Purchase Consideration is 4.19%, which is lower than the median EV/AUM of 8.99% for the Comparable Companies; and

(ii) the EV/EBITDA multiple of the VI-REIT Manager implied by the Purchase Consideration is 9.64x, which is lower than the median EV/EBITDA multiple of 12.10x for the Comparable Companies.



Precedent Transactions Analysis

For the purpose of comparison, we have assessed the reasonableness of the Purchase Consideration for the VI-REIT Manager Transaction by comparing the valuation multiples for the VI-REIT Manager Transaction implied by the Purchase Consideration with those of the Precedent Transactions.

We wish to highlight that the Precedent Transactions are not exhaustive and may differ from the VI-REIT Manager Transaction and the VI-REIT Manager in terms of, inter alia, market capitalisation, size of operations, composition of 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. Hence, the comparison of the VI-REIT Manager Transaction with the Precedent Transactions set out below is for illustration purpose only.

A comparison of the VI-REIT Manager Transaction against the Precedent Transactions is set out below.

Precedent Transactions							
Announcement Date	**Target Entity**	**Acquiring Entity**	**Transaction Value (S$ m)**	**Stake**	**AUM (S$ m)**	**Implied EV/AUM**	**Implied EV/EBITDA**
8-Nov-16	ARA Asset Management Limited	Athena Investment Company (Cayman) Limited	954.4	48.8%	$ 35,600.00	5.00%	17.50x
12-Jun-16	Croesus Retail Asset Management Pte. Ltd.	N/A - Internalisation	50.0	100.0%	$ 1,533.67	3.50%	11.70x
28-Oct-13	ARA Asset Management Limited	The Straits Trading Company Limited	294.4	20.1%	$ 23,400.00	6.33%	18.24x
19-May-11	Lippo-Mapletree Indonesia Retail Trust Management Ltd	Penninsula Investment Group (Lippo Group)	31.9	40.0%	$ 1,248.00	6.39%	15.50x
19-Apr-10	YTL Pacific Star REIT Management Holdings Pte Ltd	YTL Corporation	40.0	50.0%	$ 2,397.40	2.93%	10.53x
28-Oct-08	Prime REIT Management Holdings Pte Ltd	YTL Corporation	62.0	50.0%	$ 2,293.30	5.12%	27.79x
8-Jul-08	Allco (Singapore) Limited	Frasers Centrepoint Limited	76.0	100.0%	$ 2,045.50	3.68%	9.12x
9-Jun-08	Cambridge Industrial Trust Management Ltd	Oxley Group	7.4	20.0%	$ 970.80	3.31%	9.17x
12-Mar-08	Ascendas-MGM Funds Management Ltd	Ascendas Pte Ltd	110.0	40.0%	$ 3,400.00	7.91%	13.19x
20-Feb-08	Cambridge Real Estate Investment Management Ltd	Oxley Group	17.2	33.0%	$ 961.10	4.18%	9.70x
18-May-18	Viva Industrial Trust Management Pte. Ltd.	ESR Funds Management (S) Limited	62.0	100.0%	$ 1,284.00	4.19%	9.64x
Min						2.93%	9.12x
Median						**4.59%**	**12.45x**
Mean						4.84%	14.24x
Max						7.91%	27.79x

Sources: S&P Capital IQ, SGXNET and/or other public filings as at the Latest Practicable Date, or provided by the VIT Managers, where relevant

Based on the above, we note that:

(i) the EV/AUM of the VI-REIT Manager implied by the Purchase Consideration is 4.19%, which is lower than the median EV/AUM of 4.59% for the Precedent Transactions; and

(ii) the EV/EBITDA multiple of the VI-REIT Manager implied by the Purchase Consideration is 9.64x, which is lower than the median EV/EBITDA multiple of 12.45x for the Precedent Transactions.



For the purposes of assessing the Purchase Consideration, we have assumed the continuity of the VI-REIT Manager as the real estate investment trust manager of Viva Industrial Real Estate Investment Trust as at the Latest Practicable Date.

Additionally, we note that the VI-REIT Manager Transaction is conditional upon, inter alia, the Scheme having been approved by the Stapled Securityholders and coming into effect in accordance with its terms.



5 OUR OPINION

Having carefully considered the information available to us and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the VI-REIT Manager Transaction is not priced at a level higher than the fair market value of the VI-REIT Manager.

This letter is delivered pursuant to the SIC letter dated 8 May 2018. Nothing herein shall confer or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore shall not apply.

Any recommendations to be made by the VIT Independent Directors (Scheme) to the Stapled Securityholders shall remain their responsibility.

A copy of this letter may be reproduced in the Scheme Document.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

for and on behalf of

KPMG Corporate Finance Pte Ltd

Vishal Sharma
Executive Director

Jeremy Bogue
Director

ESR Funds Management (S) Limited

(Company Registration No: 200512804G)
(Incorporated in Singapore)

7 August 2018

To: Stapled Securityholders of Viva Industrial Trust

Dear Sir/Madam

PROPOSED MERGER OF VIVA INDUSTRIAL TRUST AND ESR-REIT BY WAY OF A TRUST SCHEME OF ARRANGEMENT

1. INTRODUCTION

1.1 The Merger and the Scheme. On 18 May 2018 (the "**Joint Announcement Date**"), the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), Viva Industrial Trust Management Pte. Ltd., as manager of Viva Industrial Real Estate Investment Trust ("**VI-REIT**", and the manager of VI-REIT, the "**VI-REIT Manager**") and Viva Asset Management Pte. Ltd., as trustee-manager of Viva Industrial Business Trust ("**VI-BT**" and collectively with VI-REIT, the stapled group, Viva Industrial Trust or "**VIT**", and the trustee-manager of VI-BT, the "**VI-BT Trustee-Manager**", and collectively with the VI-REIT Manager, the "**VIT Managers**") made a joint announcement (the "**Joint Announcement**") in relation to the proposed merger (the "**Merger**") of all the issued and paid-up stapled securities (the "**Stapled Securities**") of VIT held by the stapled securityholders of VIT (the "**Stapled Securityholders**") and the units in ESR-REIT (the "**ESR-REIT Units**") held by the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**").

The Merger will be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**").

1.2 Implementation Agreement. In connection with the Merger, the ESR-REIT Manager, RBC Investor Services Trust Singapore Limited (as trustee of ESR-REIT) (the "**ESR-REIT Trustee**"), the VIT Managers and Perpetual (Asia) Limited (as trustee of VI-REIT) (the "**VI-REIT Trustee**") (each, a "**Party**" and collectively the "**Parties**") entered into an implementation agreement (the "**Implementation Agreement**") dated 18 May 2018 setting out the terms and conditions on which the Parties will implement the Scheme.

1.3 Scheme Document. This letter from the ESR-REIT Manager (this "**Letter**") to the Stapled Securityholders of VIT should be read and construed together with, and in the context of, the scheme document dated 7 August 2018 (the "**Scheme Document**") issued by the VIT Managers on behalf of VIT to the Stapled Securityholders containing details of the Scheme. Unless otherwise stated, terms used but not defined in this Letter shall have the same meanings as defined in the Scheme Document.

If you are in doubt about this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE MERGER AND THE SCHEME

2.1 The Scheme. The Scheme is proposed to be effected in accordance with the Code and the VIT Trust Deeds (to be amended and supplemented by the Supplemental Trust Deeds), subject to the terms and conditions of the Implementation Agreement. Under the Scheme:

(a) all the Stapled Securities held by the Stapled Securityholders, as at the Books Closure Date, will be transferred to the ESR-REIT Trustee:

(i) fully paid;

(ii) free from any Encumbrances; and

(iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all rights and distributions (if any) declared by the VIT Managers on or after the Joint Announcement Date, except for the VIT Permitted Distributions,

such that on and from the Effective Date, the ESR-REIT Trustee will hold 100 per cent. (100%) of the Stapled Securities; and

(b) in consideration for such transfer of the Stapled Securities, the ESR-REIT Manager will pay to each Stapled Securityholder the Scheme Consideration.

2.2 Scheme Consideration. Pursuant to the Implementation Agreement, the ESR-REIT Manager will, upon the Scheme becoming effective in accordance with its terms, pay to the Stapled Securityholders S$0.96 per Stapled Security held by each of them as at the Books Closure Date (the "**Scheme Consideration**"), which shall be satisfied by:

(a) firstly, the payment by the ESR-REIT Manager out of the assets of ESR-REIT of S$0.096 in cash per Stapled Security (the "**Cash Consideration**"); and

(b) secondly, the allotment and issue by the ESR-REIT Manager of new ESR-REIT Units (the "**Consideration Units**") at an issue price of S$0.54 for each Consideration Unit.

The Scheme Consideration implies a gross exchange ratio of 1.778x[1] taking into account the Cash Consideration.

The cash amount to be paid to a Stapled Securityholder will be rounded down to the nearest S$0.01. No fractions of a Consideration Unit shall be issued to any Stapled Securityholder. The number of Consideration Units which Stapled Securityholders will be entitled to pursuant to the Scheme, based on their holdings of Stapled Securities as at the Books Closure Date, will be rounded down to the nearest whole Consideration Unit and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be issued to any Stapled Securityholder pursuant to the Scheme.

By way of illustration, if the Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S$9.60 in cash and 160 Consideration Units for every 100 Stapled Securities held by it as at the Books Closure Date.

[1] Based on the Scheme Consideration of S$0.96 per Stapled Security divided by issue price of S$0.54 per Consideration Unit.

2.3 Permitted Distributions. Subject to the terms and conditions of the Implementation Agreement, the VIT Managers and the ESR-REIT Manager are permitted to declare, pay or make distributions to Stapled Securityholders and ESR-REIT Unitholders (as the case may be) (respectively, the "**VIT Permitted Distributions**" and "**ESR-REIT Permitted Distributions**"):

(a) in the ordinary course of business in respect of the period from 1 January 2018 to the Effective Date; and

(b) in respect of tax refunds (if any) received by VIT and ESR-REIT (as the case may be) prior to the Effective Date from the Inland Revenue Authority of Singapore in relation to taxes previously paid by VIT and ESR-REIT (as the case may be).

The VIT Permitted Distributions and the ESR-REIT Permitted Distributions shall not include distributions declared, paid or made by the VIT Managers or the ESR-REIT Manager to the Stapled Securityholders or the ESR-REIT Unitholders respectively in respect of proceeds received in connection with the sale of any real properties.

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

The Stapled Securityholders shall have the right to receive and retain the VIT Permitted Distributions in addition to the Scheme Consideration.

The ESR-REIT Manager reserves the right to adjust the Scheme Consideration if any distribution in excess of the VIT Permitted Distributions is declared, paid or made by the VIT Managers on or after the date of the Implementation Agreement.

2.4 Scheme Conditions. The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the "**Scheme Conditions**") by 1 November 2018 (or such other date as the Parties may agree in writing) (the "**Long-Stop Date**"). Additional information on the Scheme Conditions is set out in Paragraph 2.4 of the **Letter to Stapled Securityholders** in the Scheme Document. The Scheme Conditions are reproduced in **Appendix N** to the Scheme Document.

2.5 Effect of Termination. In the event of termination of the Implementation Agreement by any Party pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and there shall be no other liability on any Party save as set out in the Implementation Agreement. Any termination of the Implementation Agreement shall be without prejudice to any rights which a Party may have against another Party for breach by that other Party prior to the termination of the Implementation Agreement, provided that:

(a) the aggregate liability of the VIT Managers in respect of all claims shall not in any event exceed 0.75% of the aggregate Scheme Consideration;

(b) the aggregate liability of the ESR-REIT Manager in respect of all claims shall not in any event exceed 0.25% of the aggregate Scheme Consideration; and

(c) no claim shall be brought by any Party against the other Parties unless notice in writing of any such claim (specifying in reasonable detail the nature of the breach, the amount claimed in respect thereof and all matters relied upon together with supporting evidence) has been given to the other Parties on or prior to the date falling six (6) months after the date of termination of the Implementation Agreement ("**Claim Date**"). Any claim which has been made before the Claim Date shall, if it has not been previously satisfied in full, settled or withdrawn, be deemed to have been withdrawn and shall become fully barred and unenforceable on the expiry of the period of six (6) months commencing from the Claim Date unless proceedings in respect thereof shall have been commenced against the defaulting party, and for this purpose proceedings shall not be deemed to have been commenced unless they shall have been issued and served upon the defaulting party.

2.6 Break Fee and Reverse Break Fee. Pursuant to the terms of the Implementation Agreement:

(a) The VIT Managers agree and undertake that the VIT Managers shall fully compensate the ESR-REIT Trustee and/or the ESR-REIT Manager for all the 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 0.75% of the aggregate Scheme Consideration if any of the following occurs ("**Break Fee**"):

(i) in the event of a breach or non-compliance by the VIT Managers of certain specified obligations agreed to by the Parties; and/or

(ii) in the event a VIT Competing Proposal becomes or is declared unconditional in all respects or becomes effective.

The obligation to pay the Break Fee as described in this paragraph 2.6(a) shall survive termination of the Implementation Agreement and remains in effect until all liabilities of the VIT Managers described in this paragraph 2.6(a), if any, have been satisfied.

(b) The ESR-REIT Manager agrees and undertakes that the ESR-REIT Manager shall fully compensate the VI-REIT Trustee and/or the VIT Managers for all the costs and expenses reasonably incurred by or on behalf of the VI-REIT Trustee and/or the VIT Managers 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 VI-REIT Trustee and/or the VIT Managers in connection with the Merger and/or the Scheme), subject to a maximum amount of 0.25% of the aggregate Scheme Consideration in the event of a breach or non-compliance by the ESR-REIT Manager of certain specified obligations agreed to by the Parties (the "**Reverse Break Fee**").

The obligation to pay the Reverse Break Fee as described in this paragraph 2.6(b) shall survive termination of the Implementation Agreement and remains in effect until all liabilities of the ESR-REIT Manager described in this paragraph 2.6(b), if any, have been satisfied.

Please refer to Paragraph 2.5 of the **Letter to Stapled Securityholders** in the Scheme Document for additional details on the termination rights and the Break Fee and Reverse Break Fee under the Implementation Agreement.

3. MANAGER ARRANGEMENTS

3.1 In connection with the Scheme:

(a) the ESR-REIT Manager in its own capacity as purchaser has executed a put and call option agreement with, *inter alia*, Viva Investment Management Pte. Ltd. ("**VIM**") as vendor, to acquire all of the issued shares of the VI-REIT Manager held by VIM (the "**VI-REIT Manager Transaction**"), for an aggregate consideration of S$62.0 million. The right to exercise the options under the put and call option agreement is subject to the fulfilment of certain conditions precedent specified therein, including, without limitation, the Scheme having been approved by the Stapled Securityholders at the Scheme Meeting and coming into effect in accordance with its terms. The consideration for the VI-REIT Manager Transaction will be paid to VIM[2] by the ESR-REIT Manager by a combination of cash and promissory notes; and

(b) Shanghai Summit Pte. Ltd. ("**SSPL**"), being an entity wholly-owned and controlled by Mr. Tong and also an indirect shareholder of VIM, will utilise its portion of the consideration from the VI-REIT Manager Transaction to subscribe for a 25.0% stake in the ESR-REIT Manager,

(collectively, the "**Manager Arrangements**").

3.2 The VI-REIT Manager Transaction will be funded by ESR Investment Management Pte. Ltd. ("**ESRIM**") via a capital injection by ESRIM into the ESR-REIT Manager and, for the avoidance of doubt, ESR-REIT and the ESR-REIT Unitholders will not be required to bear any part of the consideration to be paid pursuant to the VI-REIT Manager Transaction.

3.3 Upon completion of the Manager Arrangements, the VI-REIT Manager will be wholly-owned by the ESR-REIT Manager and the resultant shareholding of the ESR-REIT Manager will be as follows[3]:

Shareholder	**Shareholding proportion**
ESRIM	67.3%
SSPL	25.0%
Mitsui & Co. Ltd ("**Mitsui**")	7.7%

[2] The shareholders of VIM are Maxi Capital Pte. Ltd. ("**Maxi**"), Ho Lee Group Pte Ltd and Justice Offshore Holdings (BVI) Limited. Maxi is currently owned by SSPL, Mr. Wilson Ang Poh Seong, Mr. Victor Song Chern Chean and Mr. Frank Ng Tze Wei. Justice Offshore Holdings (BVI) Limited is a wholly-owned subsidiary of ESR Cayman Limited.

[3] The ESR-REIT Manager is currently owned by ESRIM (80%) and Mitsui (20%).

It is also intended that, following such completion and subject to evaluation by the Nominating and Remuneration Committee of the ESR-REIT Manager and approval of the board of directors of the ESR-REIT Manager and the Monetary Authority of Singapore (the "**MAS**"), as required, certain directors and key management staff of the VI-REIT Manager will be joining the ESR-REIT Manager, further details of which are contained in the Scheme Document.

3.4 The MAS approved on 18 May 2018 the acquisition by the ESR-REIT Manager of the shares of the VI-REIT Manager and the subscription by SSPL of shares in the ESR-REIT Manager pursuant to the Manager Arrangements.

3.5 The SIC also confirmed on 8 May 2018 that the Manager Arrangements do not constitute a special deal under Rule 10 of the Code, if an independent valuer publicly states that in his opinion, the price paid for the VI-REIT Manager is not above the fair market value of the VI-REIT Manager. In this regard, KPMG Corporate Finance Pte. Ltd. has been appointed as the independent valuer and its opinion is set out in the Scheme Document.

4. VIT DEEDS OF UNDERTAKING

4.1 VIT Deeds of Undertaking. Each of the Stapled Securityholders set out in the table below (collectively, the "**Undertaking Stapled Securityholders**") has given an irrevocable undertaking to ESR-REIT (each, a "**VIT Deed of Undertaking**" and collectively, the "**VIT Deeds of Undertaking**") to, *inter alia*:

(a) vote or procure the voting of, all of his/her/its respective Stapled Securities (the "**Relevant Stapled Securities**") in favour of the VIT Trust Scheme Amendments, the Scheme and any other matter necessary or proposed to implement the Scheme at the Scheme Meeting; and

(b) not accept or approve any other proposal, offer or trust scheme of arrangement from any other party other than the ESR-REIT Manager for all or any of the Relevant Stapled Securities, whether or not such other proposal, offer or trust scheme of arrangement is at a price higher than the Scheme Consideration.

The Undertaking Stapled Securityholders have also agreed to be bound by certain non-solicitation restrictions during the term of the VIT Deeds of Undertaking.

4.2 The number of Stapled Securities held by the Undertaking Stapled Securityholders as at the Latest Practicable Date are set out below and represent in aggregate 5.78% of the total number of Stapled Securities:

S/N	Name of Stapled Securityholder	Number of Stapled Securities Owned	Number of Stapled Securities Owned as a Percentage of the Total Number of Stapled Securities[(1)]
1.	Meiban Investment Pte Ltd	24,444,142	2.51%
2.	Goh Tiong Yong	8,668,914	0.89%
3.	M3 Capital Pte Ltd	3,600,000	0.37%
4.	Teo Soon Eng	2,300,000	0.24%
5.	Carol Goh Su Lin	1,500,000	0.15%
6.	Goh Su Min	800,000	0.08%
7.	Phang Say Lang	9,742,623	1.00%
8.	Pang Seh Fong	3,822,555	0.39%
9.	Tay Siew Lian	1,274,185	0.13%
10.	Teng Sau Fan	254,837	0.03%
Total		**56,407,256**	**5.78%**

Note:

(1) Based on total number of issued Stapled Securities of 975,758,607 Stapled Securities as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.

4.3 Termination. Each of the VIT Deeds of Undertaking will terminate on the earliest of any of the following dates:

(a) in the event the Implementation Agreement lapses or is terminated for any reason (other than a breach by the Undertaking Stapled Securityholders of their respective obligations set forth in the VIT Deeds of Undertaking) without the Scheme becoming effective, the date the Implementation Agreement lapses or is terminated;

(b) if the Scheme lapses, is withdrawn or does not become effective by the Long-Stop Date, the Long-Stop Date; and

(c) the Effective Date.

4.4 No Other Irrevocable Undertakings. Save for the VIT Deeds of Undertaking, as at the Latest Practicable Date, neither ESR-REIT nor any person acting in concert with it in connection with the Merger has received any irrevocable undertaking from any party to vote in favour of the Scheme.

5. DELISTING

Upon the Scheme becoming effective in accordance with its terms, all the Stapled Securities will be wholly-owned by the ESR-REIT Trustee and VIT will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

An application was made to seek approval from the SGX-ST to delist and remove VIT from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 31 July 2018, advised that it has no objection to the delisting of VIT from the Official List of the SGX-ST, subject to the Scheme becoming effective.

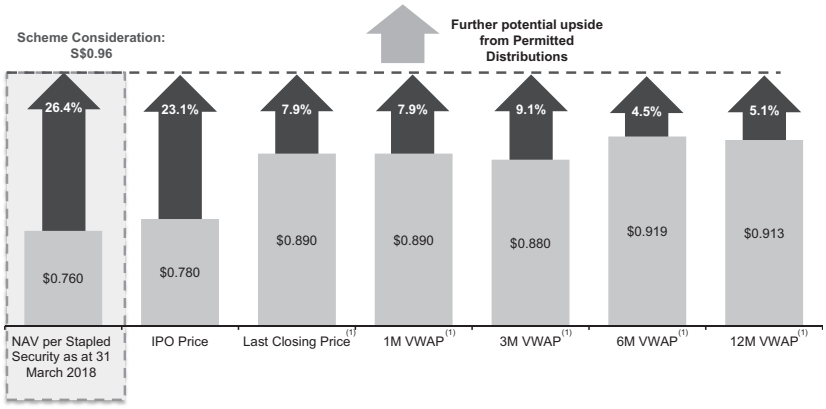
The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the delisting and removal of VIT from the Official List of the SGX-ST, VIT, the VIT Managers, their subsidiaries and/or their securities.

6. RATIONALE FOR THE MERGER, FINANCING AND INTENTIONS FOR VIT

6.1 Value Accretive to Stapled Securityholders

The Scheme Consideration represents a premium of approximately 26.4% over the net asset value per Stapled Security as at 31 March 2018, a premium of approximately 7.9% over VIT's last closing price on 17 May 2018 (being the last trading day immediately prior to the date of the Joint Announcement) and a premium of approximately 23.1% to VIT's initial public offering price. The Scheme Consideration also represents a premium of approximately 7.9% over VIT's closing price as at the Latest Practicable Date.

In addition, the Stapled Securityholders may have the opportunity to receive further VIT Permitted Distributions from the last distribution date to the Effective Date above the Scheme Consideration if and when declared by the VIT Managers.



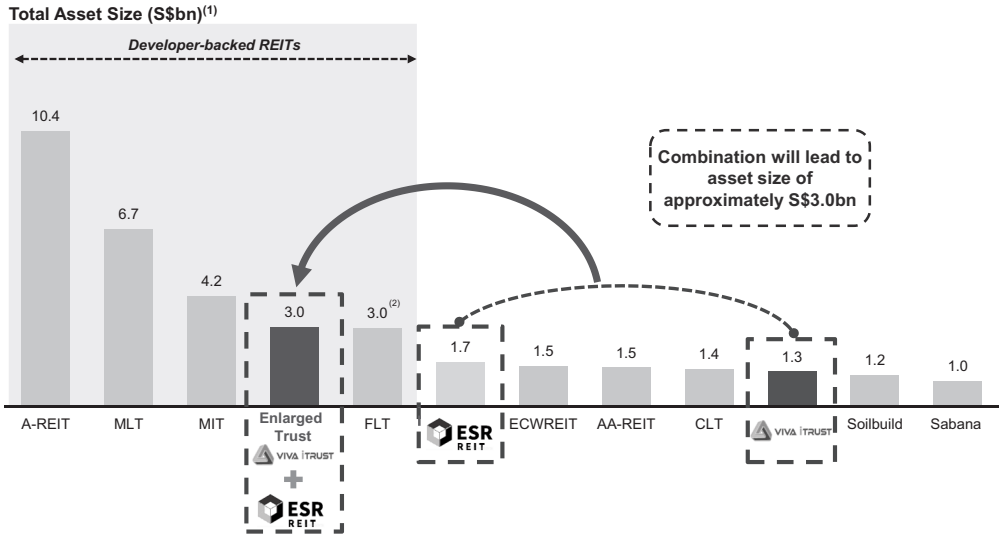
Source: Bloomberg.

(1) The last closing price refers to the closing price of the Stapled Security as at 17 May 2018. The VWAPs are with reference to the relevant periods up to and including 17 May 2018, being the last trading day immediately prior to the date of the Joint Announcement.

6.2 Creation of a Sizeable and Liquid Industrial S-REIT

The Merger will result in the creation of a sizeable and liquid industrial S-REIT which will offer the following benefits to the Stapled Securityholders:

- the enlarged ESR-REIT Group, with VIT as a sub-trust of ESR-REIT, following the completion of the Merger (the "**Enlarged Trust**") is expected to become the 4th largest industrial S-REIT, with total assets increasing to approximately S$3.0 billion; and



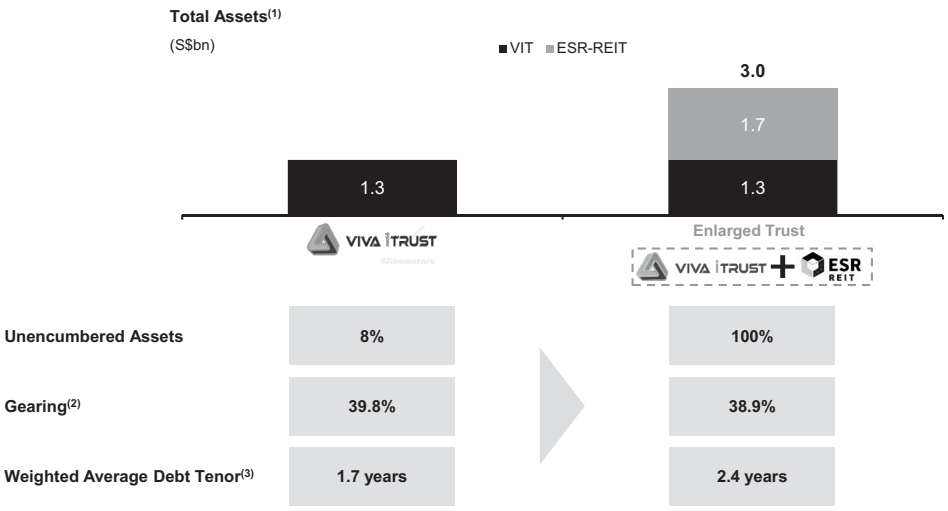
Source: Company Filings.

(1) As at 31 March 2018.

(2) Represents *pro forma* total asset size as at 31 March 2018, after adjusting for the proposed acquisition of interests in 21 properties in Germany and the Netherlands. Assumes exchange rate based on AUD:SGD of 1.00:1.01 as at the Latest Practicable Date.

- the Merger will result in a gearing of 38.9% for the Enlarged Trust. The Enlarged Trust's portfolio will be 100% unencumbered compared to 8% unencumbered for VIT's current

portfolio, allowing it to benefit from better access to capital and a more competitive cost of debt. Weighted average debt tenor also increases from 1.7 years to 2.4 years.



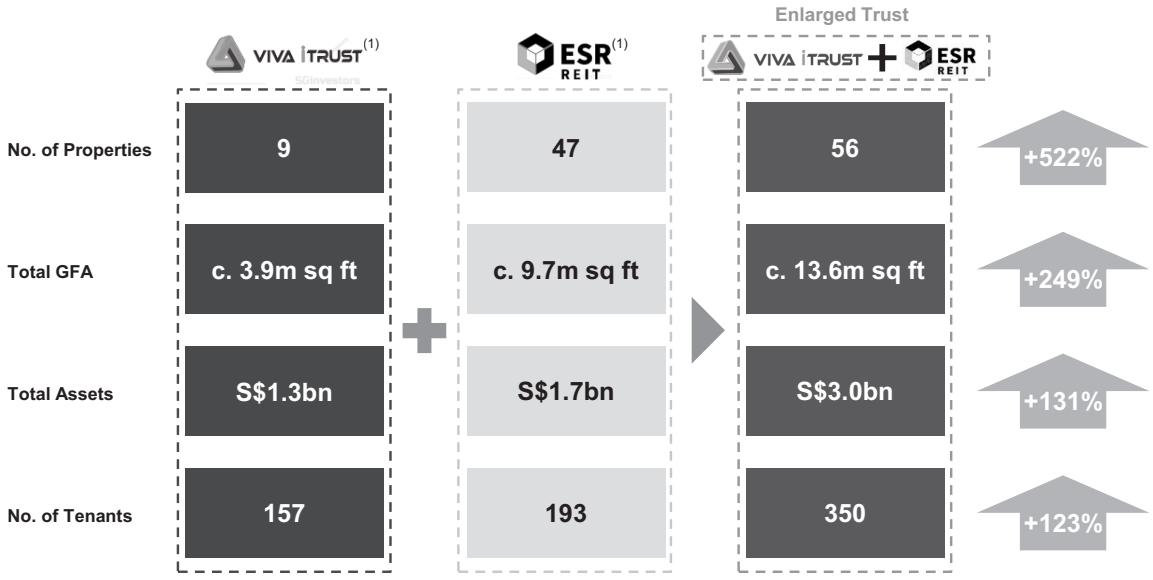
(1) As at 31 March 2018.

(2) As at 31 December 2017.

(3) As at the effective date of the Scheme and assuming that the Scheme becomes effective in October 2018.

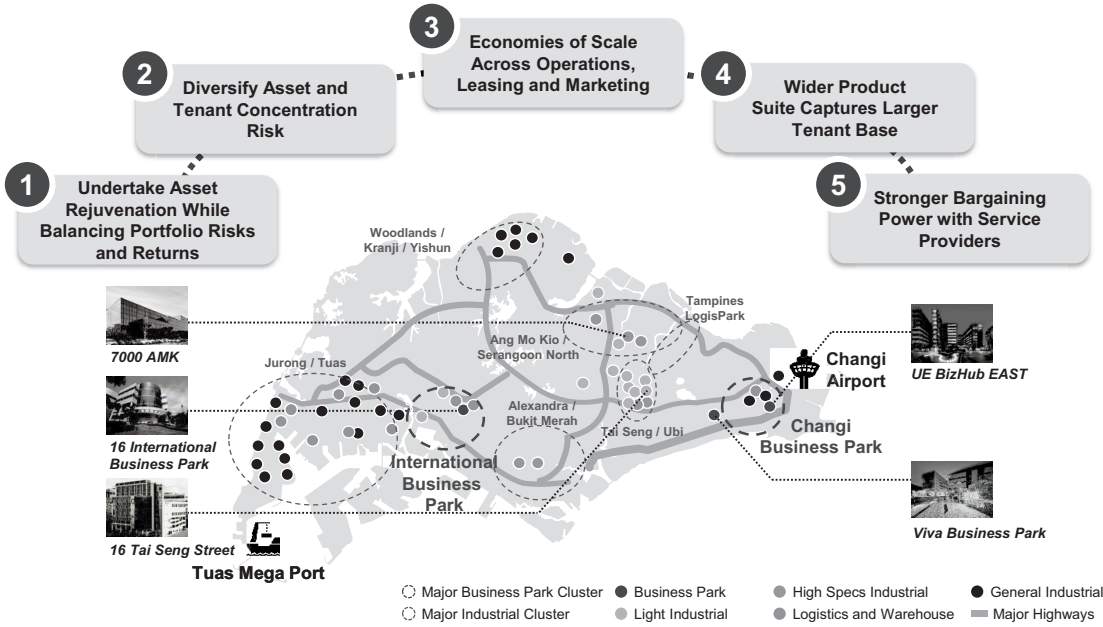
6.3 Enlarged and Diversified Portfolio

The Enlarged Trust will have an enhanced portfolio comprising 56 properties, representing a total gross floor area of approximately 13.6 million square feet and a total asset value of approximately S$3.0 billion. The number of tenants also increases from 157 (for VIT) and 193 (for ESR-REIT) to 350.

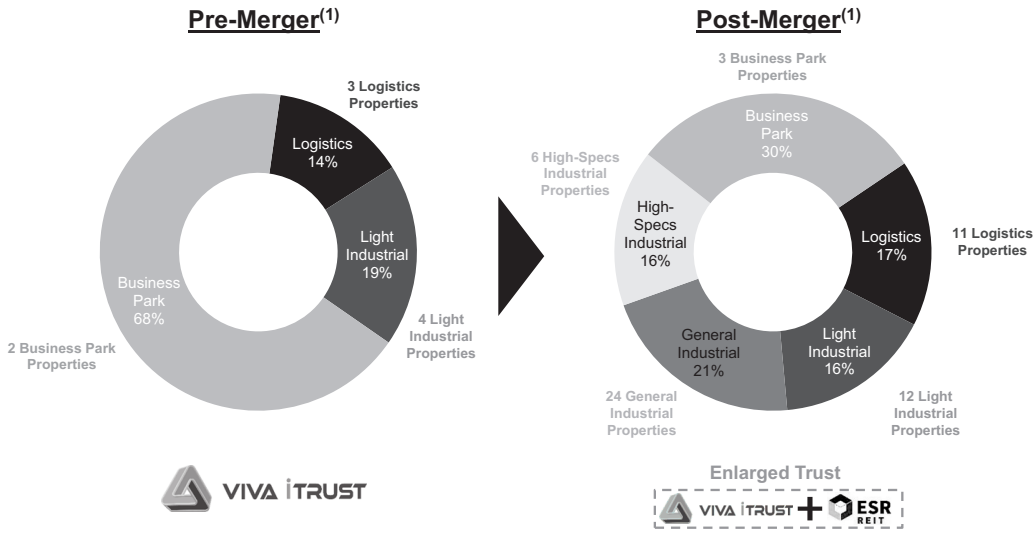


(1) As at 31 March 2018.

Following the Merger, the Enlarged Trust will be able to take advantage of operational benefits from the enhanced scale of the portfolio which comprises assets located strategically in key industrial zones in Singapore. These benefits include having the ability to undertake asset rejuvenation while balancing portfolio risks and returns, diversify asset and tenant concentration risk, build economies of scale across operations, leasing and marketing, a wider product suite to capture a larger tenant base and having stronger bargaining power with service providers.



The Merger will also broaden VIT's current suite of industrial offerings to include General Industrial and High-Specs Industrial segments as these segments are currently a part of ESR-REIT's offerings, as well as significantly reduce reliance on any single asset and any single tenant.

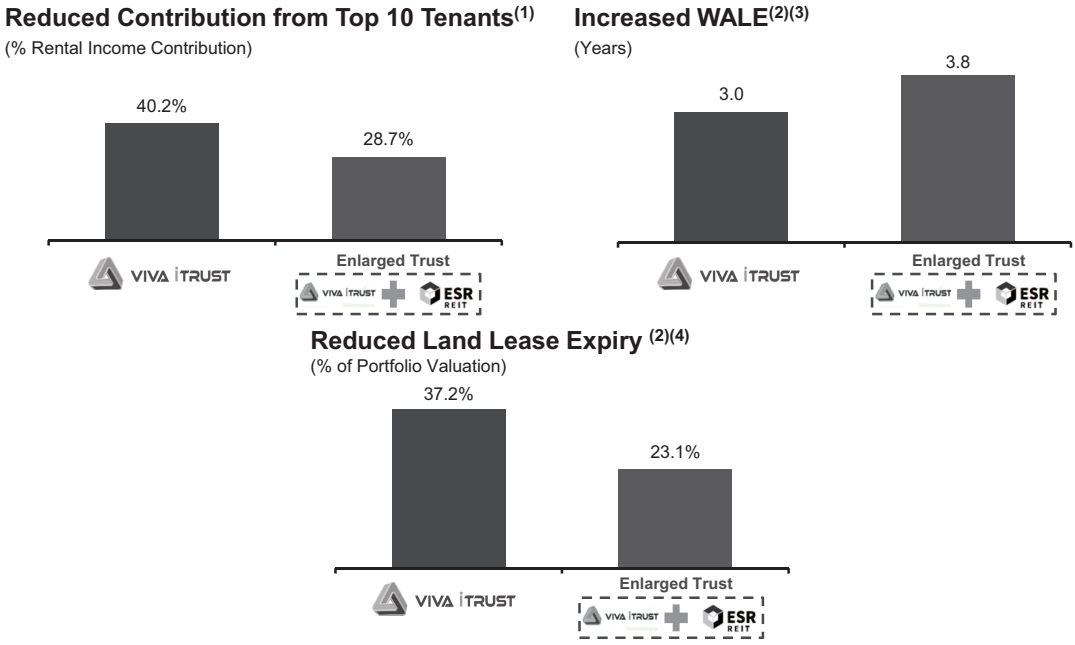


Note: Percentages may not add up to 100% due to rounding.

(1) Portfolio valuation as at 31 March 2018.

The Stapled Securityholders will also benefit from the following enhanced defensive attributes of the Enlarged Trust:

- decrease in rental income contribution of the top 10 tenants from 40.2% to 28.7%
- increase in weighted average lease expiry ("**WALE**") from 3.0 years to 3.8 years
- decrease in the percentage of properties in the portfolio with land lease expiry within the next 20 years from 37.2% to 23.1%



(1) Based on actual gross rental income contribution (excluding hotel leases) for the month of March 2018.

(2) As at 31 March 2018.

(3) Enlarged Trust computed as weighted average of VIT WALE and ESR-REIT WALE weighted by rental income per month.

(4) Land lease expiry in the next 20 years by portfolio valuation.

Additionally, the Enlarged Trust will be well-positioned to leverage VIT's experience in managing a business park portfolio to enable the Enlarged Trust to undertake a portfolio rejuvenation strategy through acquisitions and asset enhancement initiatives ("**AEIs**"). VIT's current portfolio will provide ESR-REIT with immediate access to a large proportion of Business Parks, which complements ESR-REIT's strategy of acquisitions in these segments including recent acquisitions of properties including 8 Tuas South Lane, 7000 Ang Mo Kio Ave 5, and 15 Greenwich Drive[4]. The AEI at 30 Marsiling Industrial Estate Road 8 and the potential upside at 7000 Ang Mo Kio Ave 5 in ESR-REIT's portfolio will further provide possible value accretion.

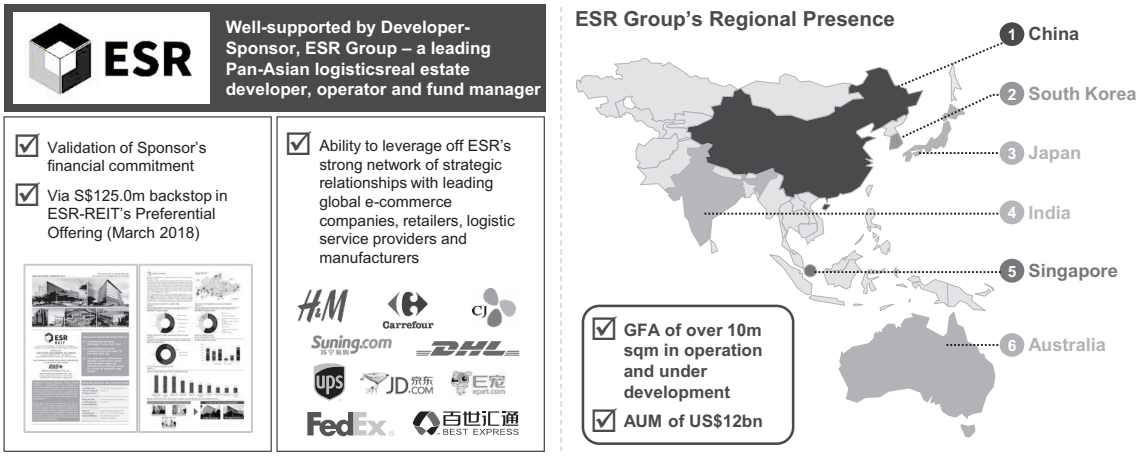
[4] ESR-REIT announced the proposed acquisition of 15 Greenwich Drive on 24 April 2018.

6.4 Enlarged Trust will be Well-Supported by a Strong and Committed Developer-Sponsor

The Stapled Securityholders will benefit from the backing of a strong and committed Developer-Sponsor in the ESR Group, a leading pan-Asian logistics real estate developer, operator and fund manager. The ESR Group has a regional presence across China, Japan, Singapore, South Korea, India and Australia, with a total GFA of over 10 million square metres in operation and under development and total assets under management of US$12 billion.

The ESR Group's regional footprint provides the opportunity for the Enlarged Trust to leverage the ESR Group's strong network of strategic relationships with leading global e-commerce companies, retailers, logistics service providers and manufacturers.

In addition, the Enlarged Trust will have the opportunity to acquire the ESR Group's visible pipeline of assets, which will facilitate the Enlarged Trust's scalable growth and overseas expansion in the future.



Opportunities to Acquire ESR's Visible Pipeline of Assets – Scalable Growth and Overseas Expansion(1)



(1) Selected properties from the ESR Group's regional portfolio.

6.5 Financing. In connection with the Merger and the Scheme, the ESR-REIT Trustee has obtained unsecured banking facilities from United Overseas Bank Limited ("**UOB**"), RHB Bank Berhad (Singapore Branch) ("**RHB**"), The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") and Malayan Banking Berhad, Singapore Branch ("**Maybank**"). The proceeds of such facilities will be applied towards the following purposes:

(a) the part refinancing of the existing loan facilities granted to the ESR-REIT Trustee;

(b) the refinancing in full of the indebtedness under (i) the existing loan facilities granted to the VI-REIT Trustee, and (ii) the S$500,000,000 multicurrency medium term note programme established by Viva iTrust MTN Pte. Ltd. as issuer and the VI-REIT Trustee as guarantor, on 28 August 2014;

(c) the part financing of the Cash Consideration for the Scheme; and

(d) the payment of costs, fees and expenses (including taxes) incurred by or on behalf of the ESR-REIT Trustee in connection with the Scheme.

6.6 Intentions for VIT. As mentioned in paragraph 3 above, the ESR-REIT Manager will acquire the VI-REIT Manager pursuant to the VI-REIT Manager Transaction. Following completion of the Manager Arrangements, VI-REIT will be managed by the ESR-REIT Manager and the VI-REIT Manager will be subsequently wound up. Accordingly, the ESR-REIT Manager will continue to be the manager of the enlarged ESR-REIT portfolio.

In the interim period where the VI-REIT Manager is still the manager of VI-REIT, the VI-REIT Manager will be entitled to receive fees under the VI-REIT Trust Deed. The ESR-REIT Manager will take steps, including effecting the passing of relevant Stapled Securityholder resolutions and seeking the relevant regulatory approvals, to amend the fees payable to the VI-REIT Manager under the VI-REIT Trust Deed to mirror the fees payable to the ESR-REIT Manager under the ESR-REIT Trust Deed, with effect from the date of completion of the Merger, as well as to wind up VI-BT (and thereby terminating the Stapling Deed). The property manager of ESR-REIT, ESR Property Management (S) Pte. Ltd., will manage the properties of VIT under the terms of the existing property management agreement of ESR-REIT.

It is also intended that, following completion of the Manager Arrangements and subject to evaluation by the Nominating and Remuneration Committee of the ESR-REIT Manager and approval of the board of directors of the ESR-REIT Manager and the MAS, as required, certain directors and key management staff of the VI-REIT Manager will be joining the ESR-REIT Manager.

Post-completion of the Merger, the ESR-REIT Manager's management team will focus on the integration of the business operations and portfolios of VIT and ESR-REIT, such as internal financial systems, operating procedures, compliance processes, enhancement and streamlining of landlord-tenant relationships, etc. This process may take at least six (6) months to complete. Successful integration will ensure that the Enlarged Trust will operate efficiently and seamlessly going forward, and extract the synergies of the enlarged portfolio thereby adding further potential value to ESR-REIT Unitholders.

A key priority of the ESR-REIT Manager post-Merger is ESR-REIT's asset rejuvenation strategy for organic growth via AEIs. With the Merger, it is intended that a number of key executives of the VI-REIT Manager will join the management team of the ESR-REIT Manager and bring their expertise and track record in undertaking large scale AEIs. This is aligned with the ESR-REIT Manager's portfolio enhancement strategy which aims to further extract value from the trust assets. The combined management strength of the Enlarged Trust will review the potential AEI and redevelopment opportunities within the Enlarged Trust's portfolio, to be executed over the next two (2) to three (3) years. Successful integration will extract the synergies of the complementary skill sets of the two (2) management teams to the benefit of ESR-REIT Unitholders.

The Enlarged Trust's larger portfolio and enhanced management team will provide the opportunity to re-evaluate the timing, scale and risk-return profile of the AEIs to be undertaken, for both the existing ESR-REIT portfolio and the VIT 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 the Enlarged Trust 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.

Save as disclosed above, the ESR-REIT Manager does not currently have any intention to (a) make any major changes to the business of VIT, (b) re-deploy the fixed assets of VIT, or (c) discontinue the employment of the existing employees of the VIT Managers.

Nonetheless, the ESR-REIT Manager retains the flexibility to, at any time, consider options or opportunities which may present themselves, or may be required, and which it regards to be in the best interests of the enlarged ESR-REIT.

7. INFORMATION ON VIT AND THE VIT MANAGERS

7.1 VIT. VIT is a Singapore-focused business park and industrial real estate investment trust listed on the Main Board of the SGX-ST on 4 November 2013. VIT is a stapled group comprising VI-REIT and VI-BT, which are managed by the VI-REIT Manager and the VI-BT Trustee-Manager respectively. VI-REIT has the principal investment strategy of investing in a diversified portfolio of income-producing real estate that is predominantly for business parks and other industrial purposes in Singapore and elsewhere in the Asia Pacific region. VI-BT is presently inactive.

As at the Latest Practicable Date, VIT has in issue an aggregate of 975,758,607 Stapled Securities.

7.2 The VI-REIT Manager. The VI-REIT Manager was incorporated in Singapore on 21 February 2012. VI-REIT is managed by the VI-REIT Manager, whose main responsibility is to manage VI-REIT's assets and liabilities for the benefit of Stapled Securityholders, through setting the strategic direction of VI-REIT and making recommendations to the VI-REIT Trustee on the acquisition, divestment, development and/or enhancement of the assets of VI-REIT.

As at the Latest Practicable Date, the VI-REIT Manager has an issued and paid-up share capital of S$2,520,000 comprising 2,500,000 ordinary shares in issue and no treasury shares. All of the issued shares of the VI-REIT Manager are held by VIM.

As at the Latest Practicable Date, the board of directors of the VI-REIT Manager comprises the following:

(a) Dr. Leong Horn Kee (Chairman and Independent Non-Executive Director);

(b) Mr. Richard Teo Cheng Hiang (Independent Non-Executive Director);

(c) Dr. Choong Chow Siong (Independent Non-Executive Director);

(d) Mr. Ronald Lim Cheng Aun (Independent Non-Executive Director);

(e) Mr. Tong (Non-Executive Director);

(f) Mr. Micheal Tan Hai Peng (Non-Executive Director);

(g) Mr. Tan Kim Seng (Non-Executive Director); and

(h) Mr. Wilson Ang Poh Seong (Chief Executive Officer and Executive Director).

7.3 The VI-BT Trustee-Manager. The VI-BT Trustee-Manager was incorporated in Singapore on 20 June 2013. VI-BT is managed by the VI-BT Trustee-Manager, which has the dual responsibilities of safeguarding the interests of the Stapled Securityholders and managing the business conducted by VI-BT. The VI-BT Trustee-Manager has general powers of management over the business and assets of VI-BT for the benefit of Stapled Securityholders as a whole. As stated in paragraph 7.1 above, VI-BT is presently inactive.

As at the Latest Practicable Date, the VI-BT Trustee-Manager has an issued and paid-up share capital of S$100 comprising 100 ordinary shares in issue and no treasury shares. All of the issued shares of the VI-BT Trustee-Manager are held by VIM.

As at the Latest Practicable Date, the board of directors of the VI-BT Trustee-Manager is the same as that of the VI-REIT Manager, save that Mr. Tong is not a director of the VI-BT Trustee-Manager. As previously announced by the VIT Managers on 13 November 2017, as VI-BT is presently inactive, the composition of the board of directors of the VI-BT Trustee-Manager was not changed to include Mr. Tong so that the majority of the board of directors of the VI-BT Trustee-Manager would comprise independent directors as required under the Business Trusts Regulations 2005.

7.4 Material Changes in the Financial Position of VIT. Save for the information of VIT which is publicly available (including, without limitation, the unaudited consolidated financial statements of VIT Group for 1Q2018 and announcements which are released by the VIT Managers, on behalf of VIT, on the SGXNET) and save as disclosed in the Scheme Document, there has not been, to the knowledge of the ESR-REIT Manager, any material change in the financial position or prospects of VIT since 31 December 2017, being the date of the last balance sheet laid before the Stapled Securityholders in a general meeting.

7.5 Transfer Restrictions. The VIT Trust Deeds do not contain any restrictions on the right to transfer the Stapled Securities in connection with the Merger or the Scheme.

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

8.1 ESR-REIT. Constituted by way of a trust deed dated 31 March 2006 (as amended and/or supplemented from time to time) (the "**ESR-REIT Trust Deed**"), ESR-REIT is a Singapore-based real estate investment trust listed on the Main Board of the SGX-ST on 25 July 2006. ESR-REIT invests in quality income-producing industrial properties and as at 31 March 2018 has a diversified portfolio of 47 properties located across Singapore, with a total gross floor area of approximately 9.7 million square feet and a property value of S$1.65 billion. The properties are in the following business sectors: General Industrial, Light Industrial, Logistics/Warehouse, High-Specs Industrial, and Business Park, and are located close to major transportation hubs and key industrial zones island-wide.

As at the Latest Practicable Date, ESR-REIT has in issue an aggregate of 1,583,701,947 ESR-REIT Units.

The principal office of ESR-REIT is the office of the ESR-REIT Manager at 138 Market Street, #26-03/04 CapitaGreen, Singapore 048946.

8.2 **The ESR-REIT Manager**. The ESR-REIT Manager was incorporated in Singapore on 14 September 2005. 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.

The board of directors of the ESR-REIT Manager comprises the following:

(a) Mr. Ooi Eng Peng (Independent Chairman);

(b) Mr. Bruce Kendle Berry (Independent Non-Executive Director);

(c) Mr. Erle William Spratt (Independent Non-Executive Director);

(d) Mr. Philip John Pearce (Non-Executive Director);[5]

(e) Mr. Jeffrey David Perlman (Non-Executive Director);

(f) Mr. Jeffrey Shen Jinchu (Non-Executive Director);

(g) Mr. Akihiro Noguchi (Non-Executive Director); and

(h) Mr. Adrian Chui Wai Yin (Chief Executive Officer and Executive Director).

As at the Latest Practicable Date, the ESR-REIT Manager has an issued and paid-up share capital of S$2,714,500 comprising 1,050,000 ordinary shares in issue and no treasury shares.

As at the Latest Practicable Date, 80% of the issued shares in the capital of ESR-REIT Manager are owned by ESRIM and the remaining 20% by Mitsui.

8.3 Schedule 1 to this Letter sets out certain additional information on the ESR-REIT Manager.

[5] Mr Philip John Pearce was re-designated as a Non-Executive Director (from an Independent Non-Executive Director) with effect from 25 April 2018.

9. NO SPECIAL ARRANGEMENTS

9.1 No Agreement having any Connection with or Dependence on the Scheme

Save for (a) the Implementation Agreement, (b) the Manager Arrangements, and (c) the VIT Deeds of Undertaking and other than as disclosed in this Letter, as at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) the ESR-REIT Trustee and/or the ESR-REIT Manager or any person acting in concert with them in connection with the Merger, and (ii) any of the current or recent directors of the VIT Managers or any of the current or recent Stapled Securityholders or any other person that has any connection with, or is dependent on or is conditional upon, the Scheme or its outcome.

9.2 Transfer of Stapled Securities

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Stapled Securities acquired by the ESR-REIT Trustee pursuant to the Scheme will be transferred to any other person.

9.3 No Payment or Benefit to Directors of the VIT Managers

As at the Latest Practicable Date, save for the Manager Arrangements, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the VIT Managers or of any of their related corporations (within the meaning of Section 6 of the Companies Act) as compensation for loss of office or otherwise in connection with the Scheme.

9.4 Directors' Service Contracts

As at the Latest Practicable Date, there are no agreements, arrangements or understandings between (a) the ESR-REIT Trustee and/or the ESR-REIT Manager or any person acting in concert with them in connection with the Merger, and (b) any of the directors of the ESR-REIT Manager, whereby the emoluments received or to be received by the directors of the ESR-REIT Manager will be varied or affected by the Scheme.

10. DISCLOSURE OF INTERESTS

10.1 Save as disclosed below and in this Letter, as at the Latest Practicable Date, none of (a) the ESR-REIT Trustee or its directors, (b) the ESR-REIT Manager or its directors, (c) any of the persons acting in concert with the ESR-REIT Manager in connection with the Merger, or (d) any of the Undertaking Stapled Securityholders owns, controls or has agreed to acquire or dealt for value during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date (the "**Relevant Period**") in any Stapled Securities.

(i) **Holdings of Stapled Securities**

As at the Latest Practicable Date, based on the latest information available to the ESR-REIT Manager, the interests in Stapled Securities held by (A) the ESR-REIT Trustee or its directors, (B) the ESR-REIT Manager or its directors, and (C) any persons acting in concert with the ESR-REIT Manager in connection with the Merger are set out below:

	Direct Interest		Deemed Interest		Total Interest	
Name	**No. of Stapled Securities**	**%[1]**	**No. of Stapled Securities**	**%[1]**	**No. of Stapled Securities**	**%[1]**
Mr. Tong Jinquan	54,745,285	5.61	433,215,996[2][3]	44.40	487,961,281	50.01
Leading Wealth Global Inc. ("**LWG**")	418,881,174	42.93	—	—	418,881,174	42.93
Longemont Real Estate Pte. Ltd. ("**LRE**")	—	—	418,881,174[2]	42.93	418,881,174	42.93
Shanghai Summit (Group) Co., Ltd ("**SSG**")	—	—	418,881,174[2]	42.93	418,881,174	42.93
Mr. Tong Yu Lou	15,832,000	1.62	—	—	15,832,000	1.62
e-Shang Infinity Cayman Limited	36,629,800	3.75	—	—	36,629,800	3.75
Ho Lee Group Pte. Ltd. ("**HLGPL**")	2,645,504	0.27	14,334,822[4]	1.47	16,980,326	1.74
Perpetual (Asia) Limited, in its capacity as trustee of Ho Lee Group Trust ("**HLGT Trustee**")	65,941,771	6.76	—	—	65,941,771	6.76
Teck Lee Holdings Pte. Ltd.	—	—	16,980,326[5]	1.74	16,980,326	1.74
Tan Thuan Teck	342,900	0.04	82,922,097[6][7]	8.50	83,264,997	8.53
Tan Hai Seng Benjamin	—	—	82,922,097[6][7]	8.50	82,922,097	8.50
Tan Hai Peng Micheal	—	—	82,922,097[6][7]	8.50	82,922,097	8.50

Notes:

(1) The percentage stapled securityholding interest is based on the total number of issued Stapled Securities of 975,758,607 Stapled Securities as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.

(2) LWG is a wholly-owned subsidiary of LRE, which is in turn wholly-owned by SSG, which is in turn wholly-owned by Mr. Tong Jinquan. Therefore, each of Mr. Tong Jinquan, LRE and SSG is deemed to be interested in the Stapled Securities held by LWG.

(3) Shanghai Summit Pte. Ltd. (which is wholly-owned by Mr. Tong Jinquan) owns 62.0% equity interest in Maxi Capital Pte. Ltd., which in turn owns 55.55% equity interest in VIM, which in turn owns 100.0% equity interest in both the VI-REIT Manager and Viva Real Estate Asset Management Pte. Ltd. (the "**VIT Property Manager**"). Therefore, Tong Jinquan is deemed to be interested in the 14,334,822 Stapled Securities held by the VI-REIT Manager and the VIT Property Manager.

(4) HLGPL owns 27.78% equity interest in VIM, which in turn owns 100.0% equity interest in both the VI-REIT Manager and the VIT Property Manager. Therefore, HLGPL is deemed to be interested in the 14,334,822 Stapled Securities held by the VI-REIT Manager and the VIT Property Manager. Ho Lee Properties Pte Ltd has a 20% interest in 7000 AMK LLP (which is a subsidiary of ESR-REIT). Accordingly, the Ho Lee group is presumed to be acting in concert with the ESR-REIT Manager in connection with the Merger.

(5) Teck Lee Holdings Pte. Ltd. owns 81.25% equity interest in HLGPL. HLGPL owns 27.78% equity interest in VIM, which in turn owns 100.0% equity interest in both the VI-REIT Manager and the VIT Property Manager. Therefore, Teck Lee Holdings Pte. Ltd. is deemed to be interested in the 16,980,326 Stapled Securities held by HLGPL, the VI-REIT Manager and the VIT Property Manager.

(6) Each of Tan Thuan Teck, Tan Hai Seng Benjamin and Tan Hai Peng Micheal is a beneficiary of Ho Lee Group Trust and is therefore, deemed to be interested in the Stapled Securities held by HLGT Trustee.

(7) Each of Tan Thuan Teck, Tan Hai Seng Benjamin and Tan Hai Peng Micheal owns not less than 20.0% equity interest in Teck Lee Holdings Pte. Ltd., which in turn owns 81.25% equity interest in HLGPL. HLGPL owns 27.78% equity interest in VIM, which in turn owns 100.0% equity interest in both the VI-REIT Manager and the VIT Property Manager. Therefore, each of Tan Thuan Teck, Tan Hai Seng Benjamin and Tan Hai Peng Micheal is deemed to be interested in the 16,980,326 Stapled Securities held by HLGPL, the VI-REIT Manager and the VIT Property Manager.

(ii) **Dealings in Stapled Securities**

Based on the latest information available to the ESR-REIT Manager, the details of dealings in Stapled Securities during the Relevant Period by (A) the ESR-REIT Trustee or its directors, (B) the ESR-REIT Manager or its directors, (C) any persons acting in concert with the ESR-REIT Manager in connection with the Merger, and (D) the Undertaking Stapled Securityholders are set out below:

Name	Transaction Date	Transaction Type	No. of Stapled Securities	Transaction price per Stapled Security (S$)
e-Shang Infinity Cayman Limited	14 December 2017	Acquisition	36,629,800	0.9428

10.2 Disclosures relating to Other Arrangements in Stapled Securities

(a) **Undertakings to vote in favour of or against the Scheme**

As at the Latest Practicable Date, save for the VIT Deeds of Undertaking, no person has given any undertaking to the ESR-REIT Trustee, the ESR-REIT Manager or any persons acting in concert with the ESR-REIT Manager in connection with the Merger, to vote in favour of or against the Scheme.

(b) **Arrangements of the kind referred to in Note 7 on Rule 12 of the Code**

As at the Latest Practicable Date, save for the VIT Deeds of Undertaking, neither the ESR-REIT Trustee, the ESR-REIT Manager nor any persons acting in concert with the ESR-REIT Manager in connection with the Merger has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Stapled Securities which may be an inducement to deal or refrain from dealing in the Stapled Securities.

(c) **No security interest over or borrowing/lending of Stapled Securities**

As at the Latest Practicable Date, none of the ESR-REIT Trustee, the ESR-REIT Manager or any persons acting in concert with the ESR-REIT Manager in connection with the Merger has (i) granted a security interest over any Stapled Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed from another person any Stapled Securities (excluding borrowed Stapled Securities which have been on-lent or sold), or (iii) lent any Stapled Securities to another person.

11. CONFIRMATION OF FINANCIAL RESOURCES

UOB, as one of the financial advisers to the ESR-REIT Manager in respect of the Merger and the Scheme, confirms that sufficient financial resources are available to ESR-REIT to satisfy in full, the aggregate Cash Consideration for the Scheme.

12. FINANCIAL ADVISERS TO THE ESR-REIT MANAGER

Citigroup Global Markets Singapore Pte. Ltd., RHB Securities Singapore Pte. Ltd. and UOB (collectively, the "**ESR-REIT Financial Advisers**") are the financial advisers to the ESR-REIT Manager in respect of the Merger and the Scheme.

13. CONSENT

Each of the ESR-REIT Financial Advisers has given and has not withdrawn its written consent to the issue of this Letter with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Letter.

Each of Edmund Tie & Company (SEA) Pte Ltd ("**Edmund Tie**") and Savills Valuation and Professional Services (S) Pte Ltd ("**Savills**" and, together with Edmund Tie, the "**ESR-REIT Independent Valuers**") has given and has not withdrawn its written consent to the issue of this Letter with the inclusion herein of its name, the relevant ESR-REIT Valuation Letters (as defined in paragraph 12.1 of Schedule 1 to this Letter) set out in Schedule 3 to this Letter, and all references thereto and in the form and context in which they appear in this Letter.

The auditors of ESR-REIT, Ernst & Young LLP, has given and has not withdrawn its written consent to the issue of this Letter with the inclusion herein of its name, its report on the unaudited financial statements of ESR-REIT for the three-month period ended 31 March 2018 (the "**ESR-REIT 1Q2018 Results**") set out in Schedule 4 to this Letter and all references thereto and in the form and context in which they appear in this Letter.

14. SETTLEMENT AND REGISTRATION PROCEDURES

Please refer to Paragraph 13 of the **Letter to Stapled Securityholders** in the Scheme Document for details on the settlement and registration procedures.

15. MARKET QUOTATIONS FOR STAPLED SECURITIES

15.1 Transacted Prices

The highest, lowest (on the daily closing prices for the monthly market data) and last closing prices and transacted volume of the Stapled Securities on the SGX-ST on a monthly basis from July 2017 (being six (6) calendar months preceding the Initial Announcement Date) to the Latest Practicable Date, as reported by Bloomberg L.P., are set out below:

Monthly Trades	Highest Closing Price (S$)	Lowest Closing Price (S$)	Last Closing Price (S$)	Transacted Volume of the Stapled Securities ('000)
1 July 2018 to 27 July 2018 (Latest Practicable Date)	0.900	0.865	0.890	10,670
June 2018	0.885	0.850	0.875	11,487
May 2018	0.900	0.875	0.895	22,887
April 2018	0.900	0.875	0.900	11,167
March 2018	0.890	0.865	0.885	11,542
February 2018	0.945	0.850	0.870	28,561
January 2018	0.965	0.935	0.965	33,447
December 2017	0.955	0.930	0.935	18,982
November 2017	1.000	0.935	0.935	27,666
October 2017	0.980	0.940	0.980	20,412
September 2017	0.950	0.940	0.945	14,916
August 2017	0.955	0.915	0.945	18,114
July 2017	0.930	0.885	0.925	25,253

15.2 Highest and Lowest Prices

During the period commencing six (6) months prior to the Initial Announcement Date and ending on the Latest Practicable Date, the highest closing price was S$1.000 per Stapled Security, transacted on 21 November 2017, and the lowest closing price was S$0.850 per Stapled Security, transacted on 14 February 2018 and 19 June 2018.

15.3 Closing Prices

The closing price on:

(a) 25 January 2018, being the last full trading day immediately prior to the Initial Announcement Date, was S$0.940 per Stapled Security; and

(b) the Latest Practicable Date, was S$0.890 per Stapled Security.

16. DOCUMENTS FOR INSPECTION

A copy of the following documents will be made available for inspection during normal business hours at the registered office of the ESR-REIT Manager from the Joint Announcement Date up until the Effective Date:

(a) the Implementation Agreement;

(b) the VIT Deeds of Undertaking;

(c) the letters of consent referred to in paragraph 13 above;

(d) the ESR-REIT Trust Deed; and

(e) the ESR-REIT 1Q2018 Results and the audited financial statements of ESR-REIT for FY2017, FY2016 and FY2015.

17. RESPONSIBILITY STATEMENT

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

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from VIT and/or the VIT Managers, the sole responsibility of the directors of the ESR-REIT 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 Letter. The directors of the ESR-REIT Manager jointly and severally accept responsibility accordingly.

Yours faithfully

ESR Funds Management (S) Limited
(Company Registration No.: 200512804G,
Capital Markets Services Licence No.: CMS 100132-5)
As manager of ESR-REIT

Adrian Chui Wai Yin
Chief Executive Officer and Executive Director
7 August 2018

SCHEDULE 1 – ADDITIONAL INFORMATION ON ESR-REIT

1. DIRECTORS OF THE ESR-REIT MANAGER

The names, addresses and descriptions of the directors of the ESR-REIT Manager as at the Latest Practicable Date are as follows:

Name	Address	Description
Ooi Eng Peng	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Independent Chairman
Bruce Kendle Berry	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Independent Non-Executive Director
Erle William Spratt	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Independent Non-Executive Director
Philip John Pearce	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Non-Executive Director
Jeffrey David Perlman	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Non-Executive Director
Jeffrey Shen Jinchu	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Non-Executive Director
Akihiro Noguchi	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Non-Executive Director
Adrian Chui Wai Yin	138 Market Street, #26-03/04 CapitaGreen, Singapore 048946	Chief Executive Officer and Executive Director

2. CAPITAL STRUCTURE

2.1 Capital

ESR-REIT has one (1) class of securities, being the ESR-REIT Units.

2.2 Changes to Capital Structure of ESR-REIT

As at the Latest Practicable Date, 270,078,633 ESR-REIT Units have been issued since 31 December 2017, being the end of the last financial year of ESR-REIT.

2.3 Consideration Units

The Consideration Units shall:

(a) when issued, be duly authorised, validly issued and credited as fully paid and shall rank *pari passu* in all respects with the existing ESR-REIT Units as at the date of their issue; 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 announced by the ESR-REIT Manager on 1 August 2018, the SGX-ST has granted its approval-in-principle for the listing and quotation of (a) up to 1,562 million Consideration Units and (b) up to 24 million new ESR-REIT Units to be issued to the ESR-REIT Manager in payment of the acquisition fee for the Merger, on the Main Board of the SGX-ST, subject to:

(i) compliance with the SGX-ST's listing requirements;

(ii) approval of the independent ESR-REIT Unitholders being obtained for the Merger, the issue of the Consideration Units and the whitewash resolution for the waiver of their rights to receive a mandatory general offer from Mr. Tong and his concert parties; and

(iii) submission of the following:

(A) written confirmation by the financial advisers to the Merger that the Merger has complied with Rule 210(4)(a) of the Listing Manual;

(B) signed declarations by each new director and new executive officer appointed by the ESR-REIT Manager, in the form set out in paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005; and

(C) signed moratorium agreements from the new and existing controlling ESR-REIT Unitholders in compliance with Rules 227, 228 and 229 of the Listing Manual.

The approval of the SGX-ST shall not be taken as an indication of the merits of the Merger, the Scheme, VIT, the Enlarged Trust, the ESR-REIT Units, the Consideration Units, ESR-REIT or its subsidiaries.

2.4 Convertible Securities of ESR-REIT

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for or options in respect of securities which carry voting rights affecting the ESR-REIT Units.

2.5 Re-organisation of Capital of ESR-REIT

Save as disclosed below, as at the Latest Practicable Date, ESR-REIT has not undergone any re-organisation of its capital structure in the three (3) financial years preceding the Latest Practicable Date.

On 28 March 2018, the ESR-REIT Manager issued 262,849,614 new ESR-REIT Units at an issue price of S$0.54 per ESR-REIT Unit pursuant to a *pro rata* and non-renounceable equity fund raising by ESR-REIT (the "**Preferential Offering**") launched on 27 February 2018.

In addition, over the last three (3) financial years and up till 31 March 2018, an aggregate of 45,261,877 new ESR-REIT Units have been issued from time to time in relation to ESR-REIT's distribution reinvestment plan. In FY2015, an aggregate of 6,475,026 and 85,922 new ESR-REIT Units were issued in lieu of cash management fees and acquisition fees respectively.

3. ESR-REIT TRUST DEED

The rights and privileges attached to the Consideration Units are stated in the ESR-REIT Trust Deed, a copy of which is available for inspection at offices of the ESR-REIT Manager at 138 Market Street, #26-03/04 CapitaGreen, Singapore 048946 during normal business hours.

For ease of reference, a summary of certain provisions in the ESR-REIT Trust Deed pertaining to the rights of unitholders in respect of capital, distributions and voting have been reproduced in Schedule 2. Stapled Securityholders should note that certain amendments to the ESR-REIT Trust Deed are being proposed and details of such amendments can be found in the circular dated 7 August 2018 to ESR-REIT Unitholders, a copy of which is available on SGXNET.

4. SUMMARY OF FINANCIAL INFORMATION OF ESR-REIT

A summary of the financial information relating to ESR-REIT for 1Q2018, FY2017, FY2016 and FY2015 is set out below. The summary of the financial information should be read together with the ESR-REIT 1Q2018 Results and the audited financial statements of ESR-REIT for FY2017, FY2016 and FY2015 (copies of which are available for inspection as set out in paragraph 16 of this Letter).

Consolidated Statement of Total Return of ESR-REIT

A summary of the consolidated statement of total return of ESR-REIT for 1Q2018, FY2017, FY2016 and FY2015 is set out below:

	(Unaudited) Financial period ended	(Audited) Financial year ended		
	31 March 2018	FY2017	FY2016	FY2015
	S$'000	S$'000	S$'000	S$'000
Gross Revenue	33,608	109,700	112,087	112,244
Property expenses	(9,823)	(31,255)	(29,814)	(26,088)
Exceptional Items	—	—	—	—
Net property income[1]	**23,785**	**78,445**	**82,273**	**86,156**
Management fees	(2,032)	(6,989)	(7,060)	(7,115)
Trust expenses	(639)	(2,176)	(1,870)	(2,326)
Interest income	23	113	47	149
Borrowing costs	(6,066)	(20,439)	(21,147)	(22,220)
Net income	**15,071**	**48,954**	**52,243**	**54,644**
Share of profits in jointly-controlled entity	—	—	—	123
Total return for the period/year before income tax and distribution	**15,071**	**48,954**	**52,243**	**54,767**
Gain on disposal of investment properties	128	221	1,231	—
Change in fair value of financial derivatives	—	—	(493)	395
Change in fair value of investment properties	—	(47,779)	(45,894)	(2,645)
Total return before income tax and distribution	**15,199**	**1,396**	**7,087**	**52,517**
Income tax expense	(83)	—[2]	—[2]	—[2]
Total return for the period/year after income tax before distribution	**15,116**	**1,396**	**7,087**	**52,517**
Attributable to:				
Unitholders and perpetual securities holders	14,217	614	7,087	52,517
Non-controlling interest	899	782	—	—
	15,116	1,396	7,087	52,517

	(Unaudited) Financial period ended 31 March 2018 S$'000	(Audited) Financial year ended FY2017 S$'000	FY2016 S$'000	FY2015 S$'000
Distribution Statement				
Total return for the period/year after income tax before distribution available to Unitholders and perpetual securities holders	**14,217**	**614**	**7,087**	**52,517**
Net effect of non-tax deductible/(taxable) items	910	50,891	47,389	7,203
	15,127	51,505	54,476	59,720
Amount reserved for distribution to perpetual securities holders	(1,701)	(1,115)	—	—
	13,426	50,390	54,476	59,720
Distribution from capital	—	—	—	2,093
Net income available for distribution for the period/year	**13,426**	**50,390**	**54,476**	**61,813**
EPU per unit (cents)[3]	**0.943**	**(0.038)**	**0.544**	**4.090**
DPU per unit (cents)	**0.847**	**3.853**	**4.173**	**4.793**

Notes:

(1) In the case of a real estate investment trust, net property income is a close proxy to the net profits attributable to its assets.

(2) Less than S$1,000

(3) Higher EPU for FY2015 mainly due to better portfolio performance and lower fair value change in investment properties. Loss per unit for FY2017 was attributable to amount reserved for distribution to perpetual securities holders.

Consolidated Statement of Financial Position of ESR-REIT

The unaudited consolidated statement of financial position of ESR-REIT as at 31 March 2018 and the audited consolidated statement of financial position of ESR-REIT as at 31 December 2017 are summarised below:

	Unaudited as at 31 March 2018 S$'000	Audited as at 31 December 2017 S$'000
Current assets	22,506	43,625
Non-current assets	1,653,086	1,652,200
Total assets	1,675,592	1,695,825
Current liabilities	245,503	244,142
Non-current liabilities	353,175	521,679
Total liabilities	598,678	765,821
NET ASSETS	1,076,914	930,004
Unitholders' funds	924,098	778,889
Perpetual securities holders' funds	152,816	151,115
TOTAL HOLDERS' FUNDS	1,076,914	930,004

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for (a) the Merger and the Scheme (and the financing thereof), and (b) any publicly available information on ESR-REIT, there has been no known material changes in the financial position of ESR-REIT subsequent to 31 December 2017, being the date of its last published audited accounts.

6. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of ESR-REIT are disclosed in Note 2 of the audited financial statements of ESR-REIT for FY2017, a copy of which is available for inspection.

7. INDEBTEDNESS

Save as disclosed below and in this Letter, as at the Latest Practicable Date, ESR-REIT and its subsidiaries do not have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities:

(a) a term loan and revolving credit facility of S$150 million from CIMB Bank Berhad, Singapore Branch;

(b) a term loan and revolving credit facility of S$200 million from HSBC;

(c) S$515 million worth of notes and perpetual securities were issued on April 2014, November 2014, January 2015, May 2015, May 2016 and November 2017 pursuant to the S$750 million Multicurrency Debt Issuance Programme established on 2 February 2012 and further updated on 20 October 2017; and

(d) unsecured banking facilities from UOB, RHB, HSBC and Maybank in connection with the Merger and the Scheme, details of which are set out in paragraph 6.5 of this Letter.

8. DISCLOSURE OF INTERESTS IN ESR-REIT SECURITIES

Save as disclosed below and in this Letter, as at the Latest Practicable Date, none of (a) the ESR-REIT Trustee or its directors, (b) the ESR-REIT Manager or its directors, (c) any persons acting in concert with the ESR-REIT Manager in connection with the Merger, or (d) the Undertaking Stapled Securityholders owns, controls or has agreed to acquire or dealt for value during the Relevant Period in any ESR-REIT Units.

(i) Holdings of ESR-REIT Units

As at the Latest Practicable Date, based on the latest information available to the ESR-REIT Manager, the interests in ESR-REIT Units held by (A) the ESR-REIT Trustee or its directors, (B) the ESR-REIT Manager or its directors, (C) any persons acting in concert with the ESR-REIT Manager in connection with the Merger, and (D) the Undertaking Stapled Securityholders are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of ESR-REIT Units	%[1]	No. of ESR-REIT Units	%[1]	No. of ESR-REIT Units	%[1]
ESR Funds Management (S) Limited	6,156,390	0.39	—	—	6,156,390	0.39
ESR Investment Management Pte. Ltd.	—	—	6,156,390[2]	0.39	6,156,390	0.39
Infinitysub Pte. Ltd.	—	—	6,156,390[3]	0.39	6,156,390	0.39
Sunrise (BVI) Limited	41,535,834	2.62	—	—	41,535,834	2.62
e-Shang Infinity Cayman Limited	163,019,650	10.29	47,692,224[4]	3.01	210,711,874	13.31
e-Shang Jupiter Cayman Limited	—	—	210,711,874[5]	13.31	210,711,874	13.31
ESR Cayman Limited	—	—	210,711,874[6]	13.31	210,711,874	13.31
WP OCIM One LLC	—	—	210,711,874[7]	13.31	210,711,874	13.31
WP X Investment VI Ltd.	—	—	210,711,874[8]	13.31	210,711,874	13.31
Warburg Pincus Private Equity X, L.P.	—	—	210,711,874[9]	13.31	210,711,874	13.31
Warburg Pincus X, L.P.	—	—	210,711,874[10]	13.31	210,711,874	13.31
Warburg Pincus LLC	—	—	210,711,874[11]	13.31	210,711,874	13.31
Warburg Pincus X GP L.P.	—	—	210,711,874[12]	13.31	210,711,874	13.31
WPP GP LLC	—	—	210,711,874[13]	13.31	210,711,874	13.31

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of ESR-REIT Units	%(1)	No. of ESR-REIT Units	%(1)	No. of ESR-REIT Units	%(1)
Warburg Pincus Partners, L.P.	—	—	210,711,874(14)	13.31	210,711,874	13.31
Warburg Pincus Partners GP LLC	—	—	210,711,874(15)	13.31	210,711,874	13.31
Warburg Pincus & Co.	—	—	210,711,874(16)	13.31	210,711,874	13.31
Charles R. Kaye	—	—	210,711,874(17)	13.31	210,711,874	13.31
Joseph P. Landy	—	—	210,711,874(18)	13.31	210,711,874	13.31
Citigroup Global Markets Limited	50	not material	—	—	50	not material
DMI Holdings Pte Ltd	2,311,856	0.15	—	—	2,311,856	0.15
Michael Patrick Dwyer	—	—	2,311,856(19)	0.15	2,311,856	0.15
Mitsui & Co., Ltd	25,201,075	1.59	6,156,390(20)	0.39	31,357,465	1.98
Mr. Tong Jinquan	85,210,531	5.38	204,096,320(21)	12.89	289,306,851	18.27
Shanghai Summit Pte. Ltd.	—	—	204,096,320(22)	12.89	204,096,320	12.89
Wealthy Fountain Holdings Inc	190,924,226	12.06	—(23)	—	190,924,226	12.06
Skyline Horizon Consortium Ltd	13,172,094	0.83	—	—	13,172,094	0.83

Notes:

(1) The percentage unitholding interest is based on the total number of issued ESR-REIT Units of 1,583,701,947 ESR-REIT Units as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.

(2) 6,156,390 ESR-REIT Units are held by the ESR-REIT Manager. 80% of the shares in the ESR-REIT Manager are directly owned by ESR Investment Management Pte. Ltd.

(3) Infinitysub Pte. Ltd. owns the entire issued share capital of ESR Investment Management Pte. Ltd.. As Infinitysub Pte. Ltd. has control of ESR Investment Management Pte. Ltd., it is deemed to have interests in the 6,156,390 ESR-REIT Units which ESR Investment Management Pte. Ltd. has interests in.

(4) 41,535,834 ESR-REIT Units are held by Sunrise (BVI) Limited, a wholly-owned subsidiary of e-Shang Infinity Cayman Limited. 6,156,390 ESR-REIT Units are held by the ESR-REIT Manager. 80% of the shares in the ESR-REIT Manager are indirectly owned by e-Shang Infinity Cayman Limited.

(5) e-Shang Jupiter Cayman Limited owns the entire issued share capital of e-Shang Infinity Cayman Limited. As e-Shang Jupiter Cayman Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 210,711,874 ESR-REIT Units which e-Shang Infinity Cayman Limited has interests in (the "**Infinity Units**").

(6) ESR Cayman Limited owns 95.2% of the issued share capital of e-Shang Jupiter Cayman Limited, which in turn owns the entire issued share capital of e-Shang Infinity Cayman Limited. As ESR Cayman Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 210,711,874 Infinity Units.

(7) ESR Cayman Limited has control of e-Shang Infinity Cayman Limited and is deemed to have interests in the 210,711,874 Infinity Units. As WP OCIM One LLC has an interest in more than 20% of the issued share capital of ESR Cayman Limited, it is also deemed to have interests in the 210,711,874 Infinity Units.

(8) WP OCIM One LLC has an interest in more than 20% of the issued share capital of ESR Cayman Limited and is deemed to have interests in the 210,711,874 Infinity Units. As WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC, it is also deemed to have interests in the 210,711,874 Infinity Units.

(9) WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC and is deemed to have interests in the 210,711,874 Infinity Units. As Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd., it is also deemed to have interests in the 210,711,874 Infinity Units.

(10) Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd. and is deemed to have interests in the 210,711,874 Infinity Units. As Warburg Pincus X, L.P. ("**WPXGP**") is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, it is also deemed to have interests in the 210,711,874 Infinity Units.

(11) WPXGP is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership ("**WPX**") and is deemed to have interests in the 210,711,874 Infinity Units. As Warburg Pincus LLC ("**WP LLC**") is the manager having control of WPX, it is also deemed to have interests in the 210,711,874 Infinity Units.

(12) WPXGP is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, and is deemed to have interests in the 210,711,874 Infinity Units. As Warburg Pincus X GP L.P. ("**WP X GP LP**") is the general partner having control of WPXGP, it is also deemed to have interests in the 210,711,874 Infinity Units.

(13) WP X GP LP is the general partner having control of WPXGP, and is deemed to have interests in the 210,711,874 Infinity Units. As WPP GP LLC ("**WPP GP**") is the general partner having control of WP X GP LP, it is also deemed to have interests in the 210,711,874 Infinity Units.

(14) WPP GP is the general partner having control of WP X GP LP, and is deemed to have interests in the 210,711,874 Infinity Units. As Warburg Pincus Partners, L.P. ("**WP Partners**") is the managing member having control of WPP GP, it is also deemed to have interests in the 210,711,874 Infinity Units.

(15) WP Partners is the managing member having control of WPP GP, and is deemed to have interests in the 210,711,874 Infinity Units. As Warburg Pincus Partners GP LLC ("**WP Partners GP**") is the general partner having control of WP Partners, it is also deemed to have interests in the 210,711,874 Infinity Units.

(16) WP Partners GP is the general partner having control of WP Partners, and is deemed to have interests in the 210,711,874 Infinity Units. As Warburg Pincus & Co. ("**WP**") is the managing member having control of WP Partners GP, it is also deemed to have interests in the 210,711,874 Infinity Units.

(17) WP is the managing member having control of WP Partners GP, and is deemed to have interests in the 210,711,874 Infinity Units. As Charles R. Kaye is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 210,711,874 Infinity Units.

(18) WP is the managing member having control of WP Partners GP, and is deemed to have interests in the 210,711,874 Infinity Units. As Joseph P. Landy is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 210,711,874 Infinity Units.

(19) Michael Patrick Dwyer is the sole shareholder of DMI Holdings Pte Ltd and is deemed to have interests in the 2,311,856 ESR-REIT Units held by DMI Holdings Pte Ltd.

(20) Mitsui directly owns 20% of the shares in the ESR-REIT Manager and is deemed to have interests in the 6,156,390 ESR-REIT Units held by the ESR-REIT Manager.

(21) Mr. Tong Jinquan is the sole shareholder of Shanghai Summit Pte. Ltd. which is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 204,096,320 ESR-REIT Units which Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd hold. Skyline Horizon Consortium Ltd holds 13,172,094 ESR-REIT Units directly and Wealthy Fountain Holdings Inc holds 190,924,226 ESR-REIT Units directly.

(22) Shanghai Summit Pte. Ltd. is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 204,096,320 ESR-REIT Units which Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd hold. Skyline Horizon Consortium Ltd holds 13,172,094 ESR-REIT Units directly and Wealthy Fountain Holdings Inc holds 190,924,226 ESR-REIT Units directly.

(23) Wealthy Fountain Holdings Inc is wholly-owned by Mr. Tong Jinquan through Shanghai Summit Pte. Ltd.

(ii) **Dealings in ESR-REIT Units**

Based on the latest information available to the ESR-REIT Manager, the details of dealings in ESR-REIT Units during the Relevant Period by (A) the ESR-REIT Trustee or its directors, (B) the ESR-REIT Manager or its directors, (C) any persons acting in concert with the ESR-REIT Manager in connection with the Merger, and (D) the Undertaking Stapled Securityholders are set out below:

Name	Transaction Date	Transaction Type	No. of ESR-REIT Units	Transaction price per ESR-REIT Unit (S$)
DMI Holdings Pte Ltd	15 March 2018	Acquisition	245,500	0.575
DMI Holdings Pte Ltd	20 March 2018	Acquisition	342,956	0.54
ESR Funds Management (S) Limited	28 March 2018	Subscription pursuant to Preferential Offering	1,021,786	0.54
e-Shang Infinity Cayman Limited	28 March 2018	Subscription pursuant to Preferential Offering	37,945,664	0.54
Sunrise (BV) Limited	28 March 2018	Subscription pursuant to Preferential Offering	6,893,770	0.54
Mr. Tong Jinquan	28 March 2018	Subscription pursuant to Preferential Offering	31,688,007	0.54
Wealthy Fountain Holdings Inc	28 March 2018	Subscription pursuant to Preferential Offering	14,142,531	0.54
Skyline Horizon Consortium Ltd	28 March 2018	Subscription pursuant to Preferential Offering	2,186,194	0.54
Mitsui & Co., Ltd	28 March 2018	Subscription pursuant to Preferential Offering	4,182,663	0.54

9. MARKET QUOTATIONS FOR ESR-REIT UNITS

9.1 Transacted Prices

The highest, lowest (on the daily closing prices for the monthly market data) and last closing prices and transacted volume of the ESR-REIT Units on the SGX-ST on a monthly basis from July 2017 (being six (6) calendar months preceding the Initial Announcement Date) to the Latest Practicable Date, as reported by Bloomberg L.P., are set out below:

Monthly Trades	Highest Closing Price (S$)	Lowest Closing Price (S$)	Last Closing Price (S$)	Transacted Volume of the ESR-REIT Units ('000)
1 July 2018 to 27 July 2018 (Latest Practicable Date)	0.530	0.500	0.515	26,598
June 2018	0.510	0.480	0.510	39,102
May 2018	0.540	0.505	0.505	30,387
April 2018	0.545	0.530	0.530	35,335
March 2018	0.580	0.535	0.535	55,512
February 2018	0.590	0.565	0.570	43,605
January 2018	0.590	0.565	0.590	45,493
December 2017	0.565	0.555	0.565	27,830
November 2017	0.570	0.555	0.560	17,171
October 2017	0.580	0.555	0.555	21,155
September 2017	0.560	0.550	0.555	14,615
August 2017	0.570	0.555	0.555	21,738
July 2017	0.605	0.565	0.565	29,816

9.2 Highest and Lowest Prices

During the period commencing six (6) months prior to the Initial Announcement Date and ending on the Latest Practicable Date, the highest closing price was S$0.590 per ESR-REIT Unit, transacted on 31 January 2018, 20 February 2018 and 21 February 2018, and the lowest closing price was S$0.480 per ESR-REIT Unit, transacted on 14 June 2018.

9.3 Closing Prices

The closing price on:

(a) 25 January 2018, being the last full trading day immediately prior to the Initial Announcement Date, was S$0.565 per ESR-REIT Unit; and

(b) the Latest Practicable Date, was S$0.515 per ESR-REIT Unit.

10. MATERIAL LITIGATION

As at the Latest Practicable Date, the ESR-REIT Manager is not aware of any litigation, arbitration or other legal proceedings pending or threatened against ESR-REIT, or of any facts likely to give rise to such proceedings which might have a material adverse effect on the financial position or business of ESR-REIT.

11. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed below and in this Letter and other than (a) the Merger and the Scheme, (b) the fees payable to the ESR-REIT Manager under the ESR-REIT Trust Deed, (c) the fees and commissions payable to the property manager of ESR-REIT under the property management agreement, and (d) the fees payable to the ESR-REIT Trustee, there are no material contracts which are not in the ordinary course of business which have been entered into by ESR-REIT with an interested person (within the meaning of Note 1 to Rule 23.12 of the Code) during the three (3) years prior to the Latest Practicable Date.

12. VALUATION ON PROPERTIES

12.1 Valuation

An independent valuation exercise was conducted in December 2017 by Edmund Tie on 41 of ESR-REIT's properties, and by Savills on seven (7) of ESR-REIT's properties, as at 31 December 2017 (except for the property at 7000 Ang Mo Kio Avenue 5, which was valued as at 31 October 2017). The ESR-REIT Independent Valuers have reviewed their valuations as at 31 March 2018 (except for the property at 9 Bukit Batok Street 22 which was divested on 5 March 18). There was no material change to the aggregate valuation of ESR-REIT's properties as at 31 March 2018.

Please refer to Schedule 3 to this Letter for copies of the letters from the ESR-REIT Independent Valuers in respect of the valuation of ESR-REIT's properties (the "**ESR-REIT Valuation Letters**") by the ESR-REIT Independent Valuers as independent valuers on the valuation of ESR-REIT's properties as at the relevant valuation dates stated above. The valuation was arrived on the basis of valuation set out in the ESR-REIT Valuation Letters, which should be considered and read in conjunction with, and in the context of, the full text of the ESR-REIT Valuation Letters.

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 ESR-REIT's properties were to be sold at the amount of valuation.

ESR-REIT is a long-term investor in its properties. Accordingly, the ESR-REIT Manager is of the view that all of ESR-REIT's properties have been acquired on capital account and any gain on disposal will not be subject to tax.

SCHEDULE 2 – RELEVANT EXTRACTS OF THE ESR-REIT TRUST DEED

The summary below does not purport to be complete or a comprehensive description of the ESR-REIT Trust Deed and is qualified in its entirety by reference to the complete ESR-REIT Trust Deed. Stapled Securityholders should note that certain amendments to the ESR-REIT Trust Deed are being proposed and details of such amendments can be found in the circular dated 7 August 2018 to ESR-REIT Unitholders, a copy of which is available on SGXNET.

1. CAPITAL

2. PROVISIONS AS TO UNITS, HOLDERS AND STATEMENTS OF HOLDINGS

2.1 No Certificates

2.1.1 No certificate shall be issued to Holders by either the Manager or the Trustee in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed, the Manager shall pursuant to the Depository Services Agreement, appoint the Depository as the Unit depository for the Trust, and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

2.1.2 For so long as the Trust is Listed, the Manager or the agent appointed by the Manager shall issue to the Depository not more than 10 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

2.2 Form of Statements of Holdings

*2.2.1 In the event the Trust is or becomes Unlisted, the Manager or the agent appointed by the Manager shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Manager or its agent shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be agreed by the Trustee and the Manager) a statement of holdings (**Statement of Holdings**). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be agreed between the Manager and the Trustee.*

2.2.2 For so long as the Trust is Listed and Units are registered in the name of the Depository, each Depositor will receive such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for the Depository's terms and conditions for operation of Securities Accounts.

2.3 Sub-division and Consolidation of Units

The Manager may at any time, with the approval of the Trustee and on prior written notice, given by the Manager to each Holder (or (as the case may be) to each Depositor by the Manager or the Trustee delivering such notice in writing to the Depository for onward delivery

to the Depositors), determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders or (as the case may be) the Depositors shall be bound accordingly. The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and the Trustee shall cause the Depository to alter the Depository Register accordingly in respect of each Depositor's Securities Account to reflect the new number of Units held by each Depositor as a result of such sub-division or consolidation.

2.4 Terms and Conditions of Trust Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed shall be binding on each Holder or (as the case may be) each Depositor and all persons claiming through him as if he had been party thereto and as if this Deed contained covenants on the part of each Holder or (as the case may be) each Depositor to observe and be bound by all the provisions hereof and an authorisation by each Holder or (as the case may be) each Depositor to do all such acts and things as this Deed may require the Trustee or (as the case may be) the Manager to do.

2.5 Availability of Trust Deed

A copy of this Deed and of any supplemental deed for the time being in force shall be made available for inspection at the registered office of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person on application at a charge not exceeding S$10 per copy document.

2.6 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person recognised by the Trustee or by the Manager as having any right, title or interest in or to the Units registered in his name and the Trustee and the Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary or to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

2.7 Rights of Manager in Respect of Units Not Registered

For so long as the Trust is Unlisted, the Manager shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue. Nothing herein contained shall prevent the Manager from becoming registered as the Holder of Units.

2.8 Restrictions

The Holders shall not give any directions to the Manager or the Trustee (whether at a meeting of Holders convened pursuant to Clause 30 or otherwise) if it would require the Manager or Trustee to do or omit from doing anything which may result in:

2.8.1 the Trust ceasing to comply with (where applicable) the Listing Rules, the Securities and Futures Act, the Code, the Regulations or the Property Funds Guidelines; or

2.8.2 the exercise of any discretion expressly conferred on the Trustee or the Manager by this Deed or the determination of any matter which under this Deed requires the agreement of either or both of the Trustee and the Manager; PROVIDED THAT nothing in this Clause 2.8.2 shall limit the right of a Holder or (as the case may be) a Depositor to require the due administration of the Trust in accordance with this Deed.

3. REGISTRATION OF HOLDERS

3.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the Trustee or its agent in such manner as may be required by any applicable law or regulation. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee shall record the Depository as the registered holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee shall record each Holder as the registered holder of Units held by such Holder. There shall be entered in the Register the following information as soon as practicable after the Trustee or the person appointed pursuant to Clause 3.14 as its agent to keep and maintain the Register receives the following relevant information:

3.1.1 the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);

3.1.2 the number of Units held by each Holder;

3.1.3 the date on which every such person entered in respect of the Units standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;

3.1.4 the date on which any transfer is registered and the name and address of the transferee; and

3.1.5 the date on which any Units have been repurchased or redeemed pursuant to Clause 7.

Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect.

3.3 Listed Units

For so long as the Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect. For so long as the Trust is Listed, the Manager shall have entered into the Depository Services Agreement for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clause 3.1.1 to 3.1.5 in relation to each Depositor. Each Depositor named in the Depository Register shall, for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Manager and the Trustee shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Agreement, two or more persons may be registered as Joint Depositors of Units. The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the Manager, the Trustee and the Depository that the Depository Register is incorrect.

3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee of the same and the Trustee shall alter or cause to be altered the Register accordingly.

3.5 Inspection of Register

3.5.1 The Trustee shall give the Manager and its representatives, or procure that the Manager and its representatives are given, access to the Register and all subsidiary documents and records relating thereto at all reasonable times during Business Hours and allow them to, or procure that they are allowed to, inspect and to take copies of the same with or without notice and without charge but neither the Manager nor its representatives shall be entitled to remove the same (save in the case where the Manager is required to produce the Register to a court of competent jurisdiction or otherwise as required by

law) or to make any entries therein or alterations thereto. Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder or (as the case may be) any Depositor, without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

3.5.2 *If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents and records relating thereto.*

3.6 Closure of Register

Subject to any applicable law or regulation, the Register may be closed at such times and for such periods as the Trustee may from time to time determine, PROVIDED THAT it shall not be closed for more than 30 days in any one Year.

3.7 Transfer of Units

3.7.1 *For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Holders credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Holder or (as the case may be) the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register.*

3.7.2 For so long as the Trust is Unlisted, every Holder, Joint-All Holder (with the concurrence of all the other Joint-All Holders) and Joint-Alternate Holder shall be entitled to transfer all or any of the Units held by him as follows:

(i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Manager and the Trustee may from time to time approve);

(ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and subject to the provisions of Clauses 3.7 and 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed;

(iii) all charges in relation to such transfer as may be imposed by the Trustee shall be borne by the Holder who is the transferor; and

(iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.

3.7.3 Every instrument of transfer must be duly stamped (if required by law) and left with the Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any applicable law or regulation for the time being in force and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Units.

3.7.4 For so long as the Trust is Unlisted, the Manager shall notify the Trustee of the date of each transfer effected in respect of Units and the name and address of the transferee and the Trustee shall alter or cause to be altered the Register accordingly.

3.7.5 For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded by the Manager to, and retained by, the Trustee.

3.7.6 For so long as the Trust is Unlisted, a fee not exceeding S$10 (or such other amount as the Manager and the Trustee may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee, be paid before the registration of any transfer.

3.7.7 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other-than as aforesaid) be entered upon the Register or the Depository Register.

3.8 Death of Holders

The executors or administrators of a deceased Holder or Depositor of Units (not being a Joint Holder or Joint Depositor) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In case of the death of any one of the Joint Holders or Joint Depositors of Units and subject to any applicable law or regulation, the survivor or survivors, upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as

having any title to or interest in the Units, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 21 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, the Minor Joint Holder or Minor Joint Depositor or the Minor Joint Holder's or Minor Joint Depositor's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 21 years).

3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders of Units. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, subject to Clause 3.13, be the only person recognised by the Trustee and the Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository's terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of such succession, be the only person recognised by the Trustee and the Manager as having title to the Units.

3.10 Minors

A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders of Units but may be registered as one of the Joint-All Holders of Units, PROVIDED THAT at least one of the Joint-All Holders is a person who has attained the age of 21 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the adult Joint-All Holder or Joint-All Holders.

3.11 Transmission

3.11.1 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee and the Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of his desire or transfer such Unit to some other person. The Manager shall notify the Trustee upon the receipt by it of any such notice and the Trustee shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder or (as the case may be) the Depositor.

3.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

3.11.3 The Manager may retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

3.12 Payment of Fee

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration.

3.13 Removal from Register

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue.

3.14 Registrar

The Trustee may, with the approval of the Manager, at any time or from time to time appoint an agent on its behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property of the Trust.

5. ISSUE OF UNITS

5.1 General

5.1.1 Subject to the provisions of this Deed, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement) PROVIDED THAT, in connection with the initial listing of the Trust on the SGX-ST, the Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Manager). No fractions of a Unit shall be issued (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement) and in issuing such number of Units as correspond to the relevant subscription proceeds (if any), the Manager shall, in respect of each Holders entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

5.1.2 The Manager may by deed supplemental hereto with the Trustee issue Classes of Units under such terms and conditions as may be contained therein.

5.1.3 The Trust may be listed on the SGX-ST pursuant to Clause 9 and, if so listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.

5.1.4 If the Trust is listed on the SGX-ST, then the Manager shall not thereafter issue any further Units in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules, except where such Units are issued in such circumstances as permitted by the Listing Rules or otherwise as required or permitted by the SGX-ST.

5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price

5.2.1 Prior to and including the time of Listing on the Listing Date, the Manager may issue Units at any time to any person at any Issue Price and on such terms and conditions as the Manager may determine in its absolute discretion.

5.2.2 The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Manager, or within such range to be determined by the Manager, on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period not exceeding 60 days (or such longer period as may be agreed between the Manager and the Trustee).

5.2.3 Subject to Clause 5.2.2, the Manager may extend a discount to the Issue Price per Unit under an initial public offering of Units, to any applicant who successfully applies to purchase more than such number of Units (as determined by the Manager in its absolute discretion) in a single application, subject to compliance with any applicable law or regulation and the Listing Rules.

5.2.4 The Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

5.3 Issue Price of Units when the Trust Is Listed

5.3.1 Subject to Clauses 5.3.2 and 5.3.3 and for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price. For this purpose ***Market Price*** shall mean:

(i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or

(ii) if the Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit.

5.3.2 Subject to the Listing Rules and this Clause 5 and for so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without prior approval of Holders in a meeting of Holders PROVIDED THAT:

(i) the Issue Price of a Unit for a rights issue offered on a pro rata basis to all existing Holders must not be less than 50% (or such other percentage as may be permitted by the SGX-ST or relevant Recognised Stock Exchange) of the Market Price of Units determined pursuant to Clause 5.3.1 (if applicable, of the same Class) on the Business Day preceding the day on which the intention to make the offer or issue is announced. Any such rights entitlement must be tradable on the SGX-ST or any other Recognised Stock Exchange on which the Trust is Listed, unless the Authority by notice in writing allows otherwise. The Trustee must ensure that such a rights issue is made at a price that is in accordance with the terms specified in this Clause 5.3.2(i);

(ii) the Issue Price of a Unit for any reinvestment of distribution arrangement under Clause 11.11 must not be less than 90% (or such other percentage as may be permitted by the SGX-ST or relevant Recognised Stock Exchange) of the Market Price of a Unit determined pursuant to Clause 5.3.1 as at the Business Day immediately following the Record Date for the determination of Distribution Entitlements. The Trustee must ensure that such an issue is made at a price that is in accordance with the terms specified in this Clause 5.3.2(ii);

(iii) the Issue Price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Holders must be determined in accordance with the conditions set out in Clauses 5.3.3 and 5.3.4; and

(iv) where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units pursuant to Clause 5.3.2(i) or Clause 5.3.3 to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as partial

consideration shall be the same as the Issue Price for the Units issued in conjunction therewith pursuant to Clause 5.3.2(i) or (as the case may be) Clause 5.3.3.

5.3.3 *Subject to Clause 5.3.5, for so long as the Trust is Listed, new Units may be issued other than by way of a rights issue offered on a pro rata basis to all existing Holders without the prior approval of Holders in a meeting of Holders PROVIDED THAT:*

(i) *the issue (together with any other issue of Units other than by way of a rights issue offered on a pro rata basis to all existing Holders in the same Financial Year, including Units issued to the Manager in payment of the Manager's Base Fee and/or Performance Fee) would not, immediately after the issue, exceed 10% (or such other percentage as may, from time to time, be prescribed by the Authority) of the Value of the Deposited Property including any Authorised Investment acquired or to be acquired by the Trust, for which the new Units are to be issued PROVIDED THAT the number of Units which would be represented by such percentage does not exceed the number of Units represented by 20% of the outstanding Units (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SGX-ST or relevant Recognised Stock Exchange); and*

(ii) *where such an issue is made at a discount to the Market Price, the discount does not exceed 5% or such other percentage as may, from time to time, be prescribed by the Authority.*

For the purposes of this Clause 5.3.3, ***Market Price*** *shall mean the volume weighted average price for trades done on the SGX-ST or relevant Recognised Stock Exchange on the day the placement agreement (or equivalent agreement) is signed. The volume weighted average price shall be calculated based on the trades done for a full market day, or if trading in the Listed Units is not available for a full market day, the volume weighted average price shall be calculated based on the trades done on the preceding market day up to the time the placement agreement (or equivalent agreement) is signed.*

The Trustee must ensure that an issue of new Units other than by way of a rights issue offered on a pro rata basis to all existing Holders without the prior approval of Holders in a meeting of Holders complies with the terms specified in this Clause 5.3.3.

5.3.4 *Subject to Clause 5.3.5, for so long as the Trust is Listed, an issue of Units (other than by way of rights issue offered on a pro rata basis to all existing Holders) exceeding any of the above thresholds in Clauses 5.3.3(i) and 5.3.3(ii) will require specific prior approval of Holders by Extraordinary Resolution at a meeting of Holders to be convened by the Manager in accordance with Schedule 1. If relevant in the circumstances, specific prior approval of Holders by Extraordinary Resolution must also have been obtained to permit the issue of Units to the Manager in payment of the Manager's Base Fee and/or Performance Fee if the issue of Units contemplated thereunder exceeds any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii). For the avoidance of doubt, any issue of Units pursuant to:*

(i) *such approval of Holders; and*

(ii) Clause 5.2.4,

shall not be taken into account in determining whether a subsequent proposed issue of Units in the same financial year will exceed any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii).

5.3.5 (Except in the case of an issue of Units to the Manager in payment of the Manager's Base Fee and/or Performance Fee) for so long as the Trust is Listed:

(i) the Trustee and/or its related parties;

(ii) the Manager and/or its related parties; and

(iii) the directors and/or immediate family members of the directors of the Trustee and the Manager,

(unless otherwise permitted by the Authority in writing) may only participate in the issue of Units pursuant to Clauses 5.3.3 or 5.3.4 (which, for the avoidance of doubt, shall not include any issue of Units by way of a preferential offering of Units on a pro rata basis to all existing Holders or an offering of Units to the public through the internet or through the automated teller machines of participating banks which is carried out without preference to any particular group of investors) with the prior specific approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1 at which the following persons (unless otherwise permitted by the Authority in writing) must abstain from voting:

(aa) the person to which the issue is to be made;

(bb) where such person is a corporation, its directors and the immediate family members of its directors; and

(cc) where such person is a corporation, its related parties.

*For the purpose of this Clause 5.3.5, **related parties** in relation to an entity shall mean its related corporations (as defined in the Companies Act) and companies in which at least 20% but not more than 50% of its shares are held by such entity and its related corporations.*

5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted

Where the Units have been suspended from quotation or trading on the SGX-ST for more than 60 consecutive calendar days or the Trust has been delisted from the Official List of the SGX-ST, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.5 Units Issue to Persons Resident Outside Singapore

If a Unit is to be issued to a person resident outside Singapore, the Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore. In relation to any rights issue or (as the case may be) the preferential offering, the Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue or preferential offering to those Holders or (as the case may be) those Depositors, whose addresses are outside Singapore. In the case of a rights issue, the provisional allocations of Units of such Holders or Depositors may be offered for sale by the Manager (as the nominee and authorised agent of each such relevant Holder or Depositor) in such manner and at such price as the Manager may determine. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders or Depositors PROVIDED THAT, where the proceeds payable to any single Holder or Depositor is less than S$10, the Manager shall be entitled to retain such proceeds as part of the Deposited Property.

5.6 Non-payment of Issue Price

Where payment of the Issue Price payable in respect of any Unit agreed to be issued by the Manager has not been received by the Trustee before the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Manager and the Trustee may agree) the agreement to issue such Unit may, in the absolute discretion of the Manager, at that time or any time thereafter be cancelled by the Manager by giving notice to that effect to the Trustee and such Unit shall thereupon be deemed never to have been issued or agreed to be issued and the applicant therefor shall have no right or claim in respect thereof against the Manager or the Trustee, PROVIDED THAT:

5.6.1 no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;

5.6.2 the Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the application for such Units from such applicant; and

5.6.3 the Manager may, but shall not be bound to, require the applicant to pay to the Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

5.7 Updating of Securities Account

For so long as the Trust is Listed, the Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Manager.

5.8 Selling Price of Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Manager is or is deemed to be the Holder may be sold or offered for sale by the Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.9 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Manager. Besides the number of Units purchased, the bases on which the Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Manager for the Trust.

5.10 Statement of Dealings

The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which it determines to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained it determines to direct to be sold for account of the Trust, and any other information which may be necessary so that the Trustee may be in a position to ascertain at any moment the Net Asset Value of the Deposited Property. The Trustee shall be entitled to require that the Manager refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of this Clause 5 in regard to the issue of Units are being infringed; but, subject to Clauses 5.3.2 and 5.3.3, nothing in this Clause 5.10 or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of this Clause 5.

5.11 Suspension of Issue

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Rules (while the Trust is Listed) and the Code, suspend the issue of Units during any of the following events:

5.11.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

5.11.2 the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;

5.11.3 any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;

5.11.4 any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;

5.11.5 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority;

5.11.6 in relation to any general meeting of the Holders, the period 72 hours before such general meeting or any adjournment thereof; and

5.11.7 when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.11 shall exist upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee. In the event of any suspension while the Trust is Listed, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST.

7. Repurchase And Redemption Of Units By Manager

7.1 Repurchase and Redemption Restrictions Prior to the Listing Date

Prior to the Listing Date, the Manager is not obliged to repurchase or cause the redemption of Units and a Holder has no right to request for the repurchase or redemption of Units. The Manager may (but is not obliged to) offer to repurchase or cause the redemption of Units issued prior to the Listing Date and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.6.

7.2 Repurchase and Redemption Restrictions when Trust is Listed

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. In the event the Manager decides to make any offer to repurchase or redeem Units, the Repurchase Price for a Unit shall be the Current Unit Value per Unit. In the event the Manager decides to repurchase or cause the redemption of Units, such redemption must comply with the Regulations, the Property Funds Guidelines and the Listing Rules. Any offer to repurchase or redeem Units is required to be made known publicly to investors through the SGX-ST at least 14 calendar days before the offer is posted. The Manager may, subject to

the Regulations, the Property Funds Guidelines and the Listing Rules, suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11. Any offer of repurchase or redemption of Units under this Clause 7.2 shall be offered on a pro rata basis to all Holders.

7.3 Repurchase and Redemption when Listed Units are Suspended or the Trust is Delisted

After the Listing Date, if the Units have been suspended from trading for at least 60 consecutive calendar days or the Trust is delisted from the SGX-ST and on all securities exchanges on which the Units have been listed for quotation, the Manager hereby covenants to offer to redeem the Units within 30 calendar days from the end of the 60 consecutive calendar days of such suspension or (as the case may be) the date the Trust is delisted, and in accordance with the requirements set out in the Regulations and the Code.

7.4 Procedure for Repurchase and Redemption

In the event that the Manager decides or is required by this Deed, the Property Fund Guidelines or the Regulations, to make any offer to repurchase or redeem Units, the Manager will send an offer notice to Holders in the event of any such offer to repurchase or redeem Units. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase or redemption of their Units together with the certificate or certificates (if any) representing such Units. At such request in writing of a Holder (or, in the case of Joint-All Holders, all the Joint-All Holders and in the case of Joint-Alternate Holders, any one of the Joint-Alternate Holders), the Manager will repurchase or cause to be redeemed, in accordance with this Clause 7 and the Regulations and Property Funds Guidelines, such of the Units in relation to which the Holder is registered in the Register as are required by the Holder to be repurchased or redeemed.

7.5 Minimum Holding

A Holder shall not be entitled hereunder to the repurchase or redemption of part only of his holding of Units if his holding would thereby be reduced to less than the Minimum Holding and in any such event, the Manager shall be entitled to repurchase, or to cause the redemption of, all of his holding of Units if by such Holder's request his holding would be so reduced, and the following provisions of this Clause 7 are to be read and construed subject thereto.

7.6 Repurchase Price

Following the receipt of a request for repurchase or redemption, the Repurchase Price for the Units that are the subject of the request shall be paid by the Manager or caused by the Manager to be paid as soon as practicable after the date of the receipt of the request to the Holder.

For the purposes of Clauses 7.1 to 7.4, the Repurchase Price shall be:

7.6.1 in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Manager's offer to repurchase or cause the redemption of Units is accepted; and

7.6.2 in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Manager's offer to repurchase or redeem Units is made), the Current Unit Value of the relevant Unit on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.11.

7.7 Repurchase or Redemption Options of Manager

In relation to any repurchase or redemption request and within the time limit specified in Clause 7.6 or (as the case may be) the Property Funds Guidelines or the Regulations, the Manager shall have the following options:

7.7.1 to effect a repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);

7.7.2 to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or

7.7.3 PROVIDED THAT there is sufficient Cash in the Trust, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units.

7.8 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or (as the case may be) such number of Units.

7.9 Redemption Out of the Assets of the Trust

If the Manager decides in its absolute discretion to take the course of action referred to in Clause 7.7.3 then it shall give a redemption notice within 30 Business Days of receipt of the request for repurchase or redemption, to the Trustee, requesting the Trustee to redeem the relevant Units and shall specify therein the Repurchase Price to be paid for such Units. Subject to the provisions of Clause 7.10, the Trustee shall as soon as practicable after its receipt of the redemption notice and as may be prescribed by the Property Funds Guidelines or the Regulations, comply with the redemption notice by releasing to the Manager out of the available Cash of the Deposited Property the Repurchase Price of the Units and the Repurchase Charge and shall thereupon redeem the relevant Units.

7.10 Funds Available for Redemption

The Trustee shall only comply with any redemption notice if, in the opinion of the Trustee, sufficient Cash would be retained in the Deposited Property after the release of Cash necessary to comply with the redemption notice to meet other liabilities of the Trust, including but without limiting the generality thereof, the Property Expenses and the remuneration due to the Trustee and the Manager under this Deed.

7.11 Procedure if Insufficient Funds

Should the Trustee advise the Manager that, in the opinion of the Trustee, sufficient Cash would not be retained in the Deposited Property to meet other liabilities of the Trust if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may, at its absolute discretion, request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient Cash to redeem the Units pursuant to Clause 7.7.3.

7.12 Restrictions on Repurchase and Redemption

The Manager may, with the approval of the Trustee and subject to the Property Funds Guidelines or the Regulations, limit the total number of Units which Holders may request the Manager to repurchase or redeem on any repurchase or redemption offer pursuant to Clause 7.1 or Clause 7.3 to 10% of the total number of Units then in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied pro rata to all Holders who have validly requested repurchase or redemption on such offer. The Manager may, subject to the Listing Rules, suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11.

7.13 Redeemed Units are Cancelled

Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.13 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units.

2. DISTRIBUTIONS

11. DISTRIBUTIONS

11.1 Distribution of Income

Subject to this Clause 11, the Manager shall make regular distributions of all (or such lower percentage as determined by the Manager in its absolute discretion, subject to compliance with the Tax Ruling) of

11.1.1 the Net Taxable Income (excluding gains from sale of Real Estate determined by the IRAS to be trading gains); and

11.1.2 the Net Tax-Exempt Income,

to Holders at quarterly, half-yearly or yearly intervals or at such other intervals as the Manager shall decide in its absolute discretion.

11.2 Manager to Collect

The Manager must collect and pay to the Trustee and the Trustee must receive all moneys, rights and property paid or receivable in respect of the Trust.

11.3 Determination of Income and Reserves

The Manager (acting after consulting the Auditors) is to determine whether any item is income in nature or capital in nature and the extent to which reserves or provisions need to be made. If the Manager determines any item to be capital it may apply it to any item in the balance sheet of the Trust including, without limitation, Holders' funds and Investments. This Clause 11.3 applies to distributions and to books of account.

11.4 Frequency of Distribution of Income

The Manager will endeavour to ensure that for each Financial Year after the Listing Date:

11.4.1 there is at least one Distribution Period; and

11.4.2 the last Distribution Period ends on the last day of the Financial Year.

For each Distribution Period the Manager will calculate, and the Trustee will distribute, each Holder's Distribution Entitlement, in accordance with the provisions of this Clause 11.

11.5 Distribution Entitlement

11.5.1 ***Distribution Amount*** *for a Distribution Period is to be determined in accordance with the following formula and confirmed by the auditors:*

$$DA = NTI + I + E + C$$

Where:

DA is the Distribution Amount;

NTI (for any period prior to the Listing Date) is the Net Taxable Income determined by the Manager; and is the Net Taxable Income for the Distribution Period determined by the Manager less an amount equal to so much of the Net Taxable Income for that Distribution Period directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee;

I is so much of the amount (which may be a negative amount) by which Net Taxable Income as agreed between the Manager and the IRAS for any Financial Year preceding the Financial Year in which the Distribution Period occurs (less an amount equal to so much of the Net Taxable Income for that Financial Year directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee), exceeds or is less than the Net Taxable Income for that preceding Financial Year distributed pursuant to this Clause 11 as NTI but so that the amount is only taken into account in determining the Distribution Amount for the Distribution Period immediately following the agreement between the IRAS and the Manager;

E is any amount of Net Tax-Exempt Income which the Manager has determined is to be distributed; and

C is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account.

11.5.2 *Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:*

$$DA \times \frac{UH}{UI}$$

where:

DA is the Distribution Amount;

UH is the number of Units held by the Holder or (as the case may be), the Depositor, at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distribution Amount; and

UI is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent the Holder is entitled to participate in the Distribution Amount.

11.6 Distribution of Entitlement

11.6.1 The Trustee must in respect of each Distribution Period pay to each Holder or (as the case may be) each Depositor, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.

11.6.2 For the purpose of identifying the persons who are entitled to the Distribution Entitlement for a Distribution Period, the persons who are Holders or (as the case may be) Depositors on the Record Date for that Distribution Period have an absolute, vested and indefeasible interest in the Distribution Amount of that Distribution Period.

11.6.3 The Manager and the Trustee must deduct from each Holder's or (as the case may be) each Depositor's Distribution Entitlement all amounts which:

(i) are necessary to avoid distributing a fraction of a cent;

(ii) the Manager determines is not practical to distribute on a Distribution Date;

(iii) equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the Holder or (as the case may be) the Depositor on the amount of the income of the Trust and attributable to the Holder or (as the case may be) the Depositor or the amount of the distribution otherwise distributable to that Holder or (as the case may be) the Depositor;

(iv) are required to be deducted by law, the Tax Ruling or this Deed; or

(v) are payable by the Holder or (as the case may be) the Depositor to the Trustee or the Manager.

11.6.4 The Manager must direct the Trustee as to how any sum so retained is to be applied and/or paid.

11.7 Holder Notification

Each Holder or (as the case may be) each Depositor must as and when required by the Manager, provide such information as to his place of residence for taxation purposes as the Manager may from time to time determine.

11.8 Composition of Distribution

Following the end of each Financial Year, the Manager must notify each Holder or (as the case may be) each Depositor of:

11.8.1 the extent to which a distribution under this Clause 11 is composed of, and the types of, income and capital; and

11.8.2 *any amounts deducted under Clauses 11.6.3(iii), (iv) and (v).*

11.9 Tax Declaration Forms and Tax Distribution Vouchers

11.9.1 The Manager shall where necessary in respect of each Distribution Period before the Distribution Amounts are paid out send to each Holder or (as the case may be) each Depositor, a tax declaration form for the purpose of each Holder or (as the case may be) Depositor declaring his tax status. The Manager and the Trustee may rely on any representation made by a Holder or (as the case may be) a Depositor as to his tax status made on each relevant tax declaration form returned to the Manager (or its agent) or the Trustee to determine whether or not to deduct Tax from the Distribution Amount. If a Holder or (as the case may be) a Depositor fails to make any such declaration in time for a distribution, the Manager and the Trustee shall proceed to deduct the appropriate amount of Tax from the Distribution Amount due to that Holder or (as the case may be) that Depositor.

11.9.2 On a distribution having been made, the Trustee shall where necessary issue to each Holder or (as the case may be) each Depositor, a tax distribution voucher prepared by the Manager in a form approved by the Trustee and the IRAS (where applicable). In the case of any distribution made or on termination of the Trust, each tax distribution voucher shall show what proportion of the distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the tax portion of any tax payable by the Trustee on income and gains attributable to the Holders.

11.10 Categories and Sources of Income

11.10.1 For any category or source of income the Manager may keep separate accounts and allocate the Income from any category or source to any Holder or (as the case may be) any Depositor.

11.10.2 The Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.10.1 before the distribution of any other amount.

11.11 Distribution Policy

The Manager and the Trustee acknowledge that subject to Clause 11.1, the Trust's distribution policy on and after the Listing Date is to distribute as much of its income as practicable.

11.12 Distribution Reinvestment Arrangements

The Manager may advise Holders or (as the case may be) Depositors from time to time in writing that Holders or (as the case may be) Depositors, may on terms specified in the notice participate in an arrangement under which Holders or (as the case may be) Depositors may request that all or a proportion of specified distributions due to them be applied to the issue of further Units, PROVIDED THAT the Issue Price for any such Units shall be the Issue Price specified in Clause 5.3.1 as appropriate if the Units are Listed and Clause 5.4 if the Units are Unlisted after the Listing Date. The Units so issued shall be deemed to be purchased by such Holders or (as the case may be) such Depositors. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders.

11.13 Capitalisation of Undistributed Distribution Amount

Prior to the Listing Date, the Manager, with the agreement of all Holders, may elect to make such Distributions other than in accordance with the provisions of this Clause 11 or not to make any distributions in accordance with Clause 11.4, and in lieu of such distribution capitalise the undistributed Distribution Amount.

12. PLACE AND CONDITIONS OF PAYMENT

12.1 Place and Conditions of Payment

Any moneys payable by the Trustee to any Holder on the relevant Record Date under the provisions of this Deed shall be paid in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named in the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee. Where the Trustee receives the necessary authority in such form as the Trustee shall consider sufficient, the Trustee shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor. Any moneys payable by the Trustee to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Manager and the Trustee) and by the Trustee causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne out of the Deposited Property.

No amount payable to any Holder or Depositor shall bear interest.

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of or in connection therewith.

Neither the Manager or the Trustee shall be liable to account to a Holder or (as the case may be) a Depositor for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors, for any amounts payable in respect of Units shall be a good discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as Joint Holders or (as the case may be) Joint Depositors or, in consequence of the death of a Holder or (as the case may be) a Depositor, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

12.4 Unclaimed Moneys

Any moneys payable to a Holder or (as the case may be) a Depositor under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the ***Unclaimed Moneys Account****) from which the Trustee may, from time to time, make payments to a Holder claiming any such moneys. Subject to Clause 26, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into Court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into Court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.*

3. VOTING

30. Meetings Of Holders

The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

SCHEDULE 1

Meetings Of Holders

1. A *general meeting to be called the "**Annual General Meeting**" shall, in addition to any other meeting, be held once in every calendar year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Trustee and the Manager. All other general meetings shall be called Extraordinary General Meetings.*

2. *The Trustee or the Manager may (and the Manager shall at the request in writing from not less than 50 Holders or from Holders representing not less than one-tenth in number of the Holders, whichever is the lesser) at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as may be thought fit and the following provisions of this Schedule shall apply thereto.*

3. *Prior to the Listing Date, the Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any Associate has a material interest.*

4. *After the Listing Date, the Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting but shall not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any Associate has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Listing Rules) and interested party transactions (as defined in the Property Funds Guidelines) and accordingly for the purposes of the following provisions of this Schedule, Units held or deemed to be held by the Manager or any Associate shall not be regarded as being in issue under such circumstances. For the avoidance of doubt, this paragraph does not apply to the removal of the Manager pursuant to Clause 24.1.4 of this Deed. The Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider the removal of the Manager pursuant to Clause 24.1.4 of this Deed. Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting. Any such meeting convened shall be held in Singapore.*

5. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by:

(i) Extraordinary Resolution to:

(a) sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;

(b) sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Disposal Fee and the Trustee's remuneration as provided in Clause 15 of this Deed;

(c) sanction any issue of Units by the Manager under the circumstances set out for an issue of Units other than by way of an issue of Units pursuant to Clauses 5.2 to 5.4 of this Deed;

(d) remove the Auditors as provided in Clause 22.1 of this Deed;

(e) remove the Trustee as provided in Clause 23.3.4 of this Deed; and

(f) direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act; and

(ii) an Ordinary Resolution to remove the Manager as provided in Clause 24.1.4 of this Deed;

(iii) a resolution duly proposed and passed as such by a majority representing 80% or more of the total number of votes cast for and against such a resolution to delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 5(i) to (iii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the (where applicable) Securities and Futures Act, the Regulations, the Property Funds Guidelines, the Code or the Listing Rules.

5.1 Subject to paragraph 5.2 below, at least 2 days' notice (in the case of Holders' meetings prior to the Listing Date) or 14 days' notice (in the case of Holders' meetings after the Listing Date) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

5.2 Notwithstanding the provisions of paragraph 5.1 above, a meeting of Holders convened by the Trustee under Section 295 of the Securities and Futures Act shall be summoned (i) by 21 days' notice at least (inclusive of the day on which the

notice is given) of such meeting given to the Holders in the manner provided in this Deed and (ii) by publishing, at least 21 days before the proposed meeting, an advertisement giving notice of the meeting in at least four local daily newspapers, one each published in the English, Malay, Chinese and Tamil languages.

6. *The quorum shall be not less than two Holders present in person or by proxy of one-tenth in value of all the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.*

7. *If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.*

8. *A person nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairman.*

9. *The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.*

10. *At any meeting a resolution put to the vote of the meeting shall, subject to the prevailing laws, rules and regulations, be decided on a poll. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid.*

11. *A poll shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was conducted.*

12. *A poll shall be taken at such time and place as the Chairman directs.*

13. *On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder. A person entitled to more than one vote need not use all his votes or cast them the same way.*

14. *In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.*

15. *On a poll votes may be given either personally or by proxy.*

16. *The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.*

17. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Manager not less than 72 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.*

18. *Where a Holder is a Relevant Intermediary the Holder may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at every meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and Class shall be specified).*

19. *An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve.*

20. *A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.*

21. *Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at the expense of the Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.*

22. *A resolution in writing signed by or on behalf of all the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as an Extraordinary Resolution passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.*

23. *For the purpose of this Deed, an Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 72 hours before the time of such meeting as certified by the Depository to the Manager and an Ordinary Resolution means 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 Holders or (as the case may be) Depositors named in the Depository Register as at 72 hours before the time of such meeting as certified by the Depository to the Manager.

An Extraordinary Resolution or (as the case may be) an Ordinary Resolution shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

24. *A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.*

25. *For the purposes of determining the number of Units held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units credited into the Securities Account(s) of the relevant depositor as shown in the records of the Depository as at a time not earlier than 72 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units credited into the Securities Account(s) of the relevant depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.*

26. *Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 8 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 26.*

27. *Notwithstanding anything in this Deed, Holders who have used their CPF monies to subscribe or purchase Units through the CPF Investment Scheme are allowed to attend any general meetings as observers, PROVIDED THAT such Holders have submitted their requests to attend the general meeting through their CPF agent banks.*

SCHEDULE 3 — ESR-REIT VALUATION LETTERS

Edmund Tie & Company

Our Ref : PKE:CT/HN/CWK/CL/AWL/JH:ao:3.496:18060065-104

12 June 2018

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

ESR Funds Management (S) Limited
(as manager of ESR-REIT)
138 Market Street #26-03/04
CapitaGreen
Singapore 048946

Attention: Ms Nancy Tan

Dear Madam

RE: VALUATION OF VARIOUS PROPERTIES BELONGING TO RBC INVESTOR SERVICES TRUST SINGAPORE LIMITED (TOTAL : 40 PROPERTIES)

We refer to our valuation reports (Our ref: PKE:CT/HN/CWK/CL/AWL/JH:171100097-109/111-119/142-158 & NC:CWK/CL:ao:3.496:171000007) relating to the 40 properties listed on the next page, which were valued by us as independent valuers as at 31 December 2017. We wish to confirm that we have reviewed our valuations as at 31 March 2018 using the Capitalisation Approach and Discounted Cash Flow Analysis.

We further advise that Edmund Tie & Company (SEA) Pte Ltd nor any of its employees have any pecuniary interest that would conflict with the valuation of the properties.

A summary of the market values is appended.

Please do not hesitate to contact us if you have any queries on the above.

Yours faithfully
EDMUND TIE & COMPANY (SEA) PTE LTD

Poh Kwee Eng (Ms)
Executive Director
Head, Valuation Advisory

Edmund Tie & Company (SEA) Pte Ltd 5 Shenton Way #13-05 UIC Building Singapore 068808 Tel: +65 6293 3228 Fax: +65 6298 9328
Estate Agent Licence No : L3006301G Registration number (UEN) : 199501391G www.etcsea.com



APPENDIX

	Property Address	Market Value as at 31 March 2018
1	160 Kallang Way	S$ 26,500,000/-
2	120 Pioneer Road	S$ 40,500,000/-
3	4/6 Clementi Loop	S$ 47,500,000/-
4	3C Toh Guan Road East	S$ 30,300,000/-
5	31 Changi South Avenue 2	S$ 12,000,000/-
6	21B Senoko Loop	S$ 26,500,000/-
7	45 Changi South Avenue 2	S$ 12,200,000/-
8	2 Tuas South Avenue 2	S$ 36,200,000/-
9	511 & 513 Yishun Industrial Park A	S$ 26,000,000/-
10	60 Tuas South Street 1	S$ 4,200,000/-
11	30 Marsiling Industrial Estate Road 8	S$ 36,600,000/-
12	43 Tuas View Circuit	S$ 16,100,000/-
13	15 Jurong Port Road	S$ 37,300,000/-
14	128 Joo Seng Road	S$ 11,800,000/-
15	130 Joo Seng Road	S$ 15,600,000/-
16	136 Joo Seng Road	S$ 12,800,000/-
17	2 Jalan Kilang Barat	S$ 27,400,000/-
18	11 Chang Charn Road	S$ 29,600,000/-
19	24 Jurong Port Road	S$ 90,200,000/-
20	3 Pioneer Sector 3	S$ 96,300,000/-
21	16 International Business Park	S$ 31,500,000/-
22	160A Gul Circle	S$ 18,200,000/-
23	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	S$ 11,600,000/-
24	31 Tuas Avenue 11	S$ 12,200,000/-
25	25 Changi South Avenue 2	S$ 12,600,000/-
26	16 Tai Seng Street	S$ 57,300,000/-
27	9 Tuas View Crescent	S$ 10,200,000/-
28	28 Senoko Drive	S$ 13,600,000/-
29	5/7 Gul Street 1	S$ 14,900,000/-
30	28 Woodlands Loop	S$ 17,100,000/-
31	25 Pioneer Crescent	S$ 16,300,000/-
32	11 Woodlands Walk	S$ 17,100,000/-
33	3 Tuas South Avenue 4	S$ 43,000,000/-
34	30 Teban Gardens Crescent	S$ 39,000,000/-
35	30 Toh Guan Road	S$ 60,600,000/-
36	21/23 Ubi Road 1	S$ 36,700,000/-
37	54 Serangoon North Avenue 4	S$ 22,900,000/-
38	12 Ang Mo Kio Street 65	S$ 38,200,000/-
39	86/88 International Road	S$ 43,200,000/-
40	8 Tuas South Lane	S$ 115,000,000/-

Our Ref: 2018/1313/CORP

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12 June 2018

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

ESR Funds Management (S) Limited
As Manager of ESR-REIT
138 Market Street
#26-03/04 CapitaGreen
Singapore 048946

Dear Sirs

ESR-REIT'S PORTFOLIO OF 7 PROPERTIES ("the Properties") IN SINGAPORE

We refer to the instructions of ESR Funds Management (S) Limited (in its capacity as manager of ESR-REIT)("ESR-REIT Manager") and RBC Investor Services Trust Singapore Limited (in its capacity as Trustee of ESR-REIT ("Clients") to provide the updated values of the Properties, for which we had provided independent valuations to the Clients as at 31 December 2017 (except for the property at 7000 Ang Mo Kio Avenue 5 for which we had provided an independent valuation as at 31 October 2017).

Accordingly, we have made relevant enquiries and obtained such information as we consider necessary for the purpose of providing you with our opinion of the Market Values as at 31 March 2018 of the un-expired leasehold interest in the Properties, subject to existing tenancies as provided to us. An external inspection of the property has been conducted and no title searches and legal requisitions have been carried out.

This letter has been prepared for inclusion in the Circular to ESR-REIT unitholders ("Circular") in relation to, inter alia, the proposed acquisition by ESR-REIT of all the issued and paid-up stapled securities of Viva Industrial Trust ("Merger") and the proposed Whitewash Resolution (as defined in the Circular), as well as the letter ("Offeror's Letter") from the ESR-REIT Manager to stapled securityholders of Viva Industrial Trust ("Stapled Securityholders") in the scheme document to Stapled Securityholders in relation to, inter alia, the Merger, and can only be relied on by the Clients and by the Independent Financial Adviser ("IFA") appointed by the ESR-REIT Manager in relation to the Merger and the Whitewash Resolution, for the purposes of the IFA Letter (as defined in the Circular). Use by, or reliance upon this report by anyone other than the Clients and the IFA is not authorised by Savills and Savills is not liable for any unauthorised use or reliance. Save for inclusion in the Circular and the Offeror's Letter, our letter should not be reproduced without our prior written consent and is subject to the attached limiting conditions.

We confirm that we do not have any conflict of interest that would interfere with our ability to give an independent and professional opinion of the Properties.

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In arriving at our opinion of market values, we have adopted the Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method.

Our opinion of values and the key assumptions for the Properties are summarised as follows:

No.	Property	Capitalisation Rate	Discount Rate	Terminal Capitalisation Rate	Market Value as at 31/03/2018
1	79 Tuas South Street 5	6.50%	8.00%	6.75%	$ 10,700,000
2	1 and 2 Changi North Street 2	6.50%	8.00%	6.75%	$ 22,000,000
3	70 Seletar Aerospace View	6.75%	8.00%	7.25%	$ 9,200,000
4	22 Chin Bee Drive	7.00%	8.00%	7.50%	$ 14,800,000
5	31 Kian Teck Way	6.50%	8.00%	7.00%	$ 5,700,000
6	11 Serangoon North Avenue 5	6.50%	8.00%	6.75%	$ 20,000,000
7	7000 Ang Mo Kio Avenue 5	6.25%	8.00%	6.50%	$303,000,000
				Total Market Value	**$385,400,000**

Yours faithfully
For and behalf of
Savills Valuation and Professional Services (S) Pte Ltd

Cynthia Ng
Managing Director

KH/DE/CYC/CS/LHS/CN/pt

SCHEDULE 4 — ESR-REIT 1Q2018 RESULTS

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 ("1Q2018")

The Directors of ESR Funds Management (S) Limited ("ESR-FM"), as manager ("Manager") of ESR-REIT, are pleased to announce the unaudited results of ESR-REIT and its subsidiaries (the "Group") for the first quarter ended 31 March 2018 ('1Q2018").

ESR-REIT is a Singapore–based real estate investment trust constituted by the Trust Deed entered into on 31 March 2006 between ESR-FM as the Manager of ESR-REIT and RBC Investor Services Singapore Limited as the Trustee of ESR-REIT, as amended and restated. ESR-REIT was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 July 2006.

As at 31 March 2018, the Group has a diversified portfolio of 47 properties located across Singapore with a diversified tenant base of over 194 tenants across the following sub sectors: logistics/warehouse, hi-specs industrial, light industrial, general industrial and business park. The portfolio has a carrying value of approximately S$1.65 billion* and a total gross floor area of approximately 9.7 million square feet.

ESR-REIT's distribution policy is to distribute at least 90% of its annual distributable income, comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion.

The Group's results include the consolidation of its wholly-owned subsidiaries, ESR-MTN Pte. Ltd. ("ESR-MTN"), Cambridge SPV1 LLP and ESR-SPV2 and 80% owned SPV, 7000 AMK Pte. Ltd ("7000 AMK PL"). 7000 AMK PL was subsequently converted from a private company structure to a limited liability partnership with effect from 1 February 2018 ("7000 AMK LLP"). The commentaries below are based on Group results unless otherwise stated.

In March 2018, ESR-REIT raised S$141.9 million gross proceeds from a preferential offering to its existing unitholders. Approximately 262.8 million new units were issued at S$0.54 per new unit on 28 March 2018 to rebalance the capital structure by repaying debt initially drawn down to partially fund the acquisitions in December 2017 ("Preferential Offering"). The gross proceeds from the preferential offering, together with the divestment proceeds of a non-core investment property at 9 Bukit Batok sold in March 2018, were deployed to pare down total debts by S$170.0 million during 1Q2018.

*Includes a 20% non-controlling interest in 7000 AMK valued at S$60.6 million as at 31 March 2018.

ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE QUARTER ENDED 31 MARCH 2018

Summary of the Group's Results

	1Q2018 S$'000	1Q2017 S$'000	Fav/ (Unfav) %
Gross revenue	**33,608**	**27,737**	**21.2**
Net property income	**23,785**	**19,692**	**20.8**
Amount available for distribution	**13,426**	**13,105**	**2.4**
Distribution per unit ("DPU")			
DPU (cents)	**0.847**	**1.004**	**(15.6)**
Adjusted DPU (cents) [(1)]	**1.008**	**1.004**	**0.4**

Note:

(1) Adjusted DPU is based on the weighted average number of units in issue during 1Q2018 (assumes the units issued under the Preferential Offering were only entitled to distributable income from 28 March to 31 March 2018).

Distribution and Book Closure Date Details

Distribution period	**1 January 2018 to 31 March 2018**
Distribution rate	**0.847 cents per unit comprising:**
	(a) taxable income - 0.814 cents per unit **(b) tax-exempt income - 0.033 cents per unit**
Books closure date	**30 April 2018**
Payment date	**31 May 2018**

The Manager has determined that the distribution reinvestment plan ("DRP") **will not apply** to the distribution for the period from 1 January 2018 to 31 March 2018.

ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE QUARTER ENDED 31 MARCH 2018

1(a) Statement of Total Return together with comparative statements for the corresponding period of the immediate preceding financial year

Statement of Total Return

	Note	Group		
		1Q2018 S$'000	1Q2017 S$'000	Fav/ (Unfav) %
Gross revenue		**33,608**	**27,737**	**21.2**
Property manager's fees		(1,596)	(1,431)	(11.5)
Property tax		(2,434)	(1,861)	(30.8)
Land rental		(2,041)	(2,226)	8.3
Other property expenses		(3,752)	(2,527)	(48.5)
Property expenses		**(9,823)**	**(8,045)**	**(22.1)**
Net property income	(a)	**23,785**	**19,692**	**20.8**
Management fees	(b)	(2,032)	(1,669)	(21.7)
Trust expenses	(c)	(639)	(382)	(67.3)
Interest income	(d)	23	11	109.1
Borrowing costs	(e)	(6,066)	(5,011)	(21.1)
Non-property expenses		**(8,714)**	**(7,051)**	**(23.6)**
Net income		**15,071**	**12,641**	**19.2**
Gain on disposal of investment property	(f)	128	-	n.m.
Total return for the period before income tax and distribution		**15,199**	**12,641**	**20.2**
Less: Income tax expense	(g)	(83)	-	n.m.
Total return for the period after income tax before distribution		**15,116**	**12,641**	**19.6**
Attributable to:				
Unitholders and perpetual securities holders		14,217	12,641	12.5
Non-controlling interest		899	-	n.m.
		15,116	**12,641**	**19.6**

n.m. – not meaningful

Distribution Statement

	Note	Group 1Q2018 S$'000	Group 1Q2017 S$'000	Fav/ (Unfav) %
Total return for the period after income tax before distribution attributable to Unitholders and pepertual securities holders		**14,217**	**12,641**	**12.5**
Net effect of non-tax deductible/(taxable) items	(h)	910	464	96.1
		15,127	13,105	15.4
Amount reserved for distribution to perpetual securities holders		(1,701)	-	n.m.
Net income available for distribution for the period	(i)	**13,426**	**13,105**	**2.4**
DPU for the period (cents)		**0.847**	**1.004**	**(15.6)**
Adjusted DPU (cents)	(j)	**1.008**	**1.004**	**0.4**

n.m. – Not meaningful

Notes:

(a) ESR-REIT recorded gross revenue and net property income of S$33.6 million and S$23.8 million respectively in 1Q2018 and these were higher than the corresponding quarter last year by 21.2% and 20.8% respectively.

The revenue growth was ascribed to the contributions from two acquisitions at 8 Tuas South Lane and 7000 Ang Mo Kio Avenue 5 ("7000 AMK") in December 2017, partially offset by revenue reduction from the lease conversion of property at 21B Senoko Loop to multi-tenancy, expiries and non-renewal of leases at property 31 Kian Teck, 1/2 Changi Road, 12 Ang Mo Kio and 30 Toh Guan and the absence of revenue from divestments completed since 1Q2017.

Property expenses increased by S$1.8 million to S$9.8 million in 1Q2018, which was 22.1% higher than the corresponding quarter last year. Property expenses increased mainly due to property tax and other property expenses from acquisitions, specifically 7000 AMK as mentioned above.

(b) Management fee increased due to higher assets under management from new acquisitions. The Manager has elected to receive its management fee wholly in cash for 1Q2018.

(c) Trust expenses comprised statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. Trust expenses for 1Q2018 were higher mainly due to legal and consultancy fees incurred for the quarter.

(d) Higher interest income resulted from higher cash balance during the quarter.

(e) Borrowing costs were higher in 1Q2018 due to higher loan interest expense from incremental borrowings to partially fund the new acquisitions in December 2017. The preferential offering proceeds and existing cash to reduce borrowings were deployed in late March 2018.

Please refer to 1(b)(ii) for more details on borrowings.

(f) Gain arose from the disposal of the property at 9 Bukit Batok in March 2018.

(g) Income tax expense related to tax on profits of 7000 AMK Pte. Ltd. for January 2018, prior to its conversion to a limited liability partnership from 1 February 2018.

(h) Non-tax deductible/(taxable) items (distribution adjustments)

	Group	
	1Q2018 S$'000	**1Q2017 S$'000**
Non-tax deductible/(taxable) items and other adjustments:		
Trustee's fees	104	91
Transaction costs relating to debt facilities	472	398
Professional fees	287	36
Straight line rent and lease incentives	(479)	(206)
Miscellaneous expenses	135	145
Income from subsidiary	519	-
	1,038	464
Income not subject to tax:		
Gain on disposal of investment property	(128)	-
Net effect of non-tax deductible/(taxable) items	**910**	**464**

(i) Net amount available for distribution for the period comprised:

	Group		
	1Q2018 S$'000	1Q2017 S$'000	Fav/ (Unfav) %
Taxable income	12,907	13,105	(1.5)
Tax-exempt income[(1)]	519	-	n.m.
Net amount available for distribution for the period	**13,426**	**13,105**	**2.4**

Note:

(1) Tax exempt income relates to share of profits from 7000 AMK Pte. Ltd. prior to its conversion to limited liability partnership with effect from 1 February 2018.

(j) The total distributable amount of S$13.4 million, based on 1,583.7 million units (inclusive of Preferential Offering units of approximately 262.8 million units) which were entitled to the distribution for the quarter, translates to a DPU of 0.847 cents for 1Q2018 which is 15.6% lower than 1Q2017 DPU.

Adjusted DPU is based on the weighted average number of units in issue during 1Q2018 (assumes the units issued under the Preferential Offering were only entitled to distributable income from 28 March to 31 March 2018).

ESR-REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE QUARTER ENDED 31 MARCH 2018

1(b)(i) Statements of Financial Position, together with comparatives as at the end of the immediately preceding financial year

	Note	Group		Trust	
		31-03-18 S$'000	31-12-17 S$'000	31-03-18 S$'000	31-12-17 S$'000
Assets					
Non-current assets					
Investment properties	(a)	1,653,086	1,652,200	1,350,086	1,349,200
Investments in subsidiaries	(b)	-	-	215,542	215,463
Loan to a subsidiary	(c)	-	-	50,500	50,500
		1,653,086	1,652,200	1,616,128	1,615,163
Current assets					
Investment property held for divestment	(a)	-	23,600	-	23,600
Trade and other receivables	(d)	12,652	8,374	11,092	6,999
Cash and cash equivalents		9,854	11,651	4,561	8,156
		22,506	43,625	15,653	38,755
Total assets		**1,675,592**	**1,695,825**	**1,631,781**	**1,653,918**
Liabilities					
Current liabilities					
Trade and other payables	(e)	29,977	28,647	21,639	21,987
Interest-bearing borrowings	(f)	154,926	154,895	154,926	154,895
Amount due to Non-controlling interest	(g)	60,600	60,600	-	-
		245,503	244,142	176,565	176,882
Non-current liabilities					
Trade and other payables	(e)	8,082	6,783	6,829	5,715
Amount due to a subsidiary	(h)	-	-	40,247	40,247
Interest-bearing borrowings	(f)	345,093	514,896	345,093	514,896
		353,175	521,679	392,169	560,858
Total liabilities		**598,678**	**765,821**	**568,734**	**737,740**
Net assets		**1,076,914**	**930,004**	**1,063,047**	**916,178**
Represented by:					
Unitholders' funds		924,098	778,889	910,231	765,063
Pepertual securities holders' funds	(i)	152,816	151,115	152,816	151,115
		1,076,914	**930,004**	**1,063,047**	**916,178**

Notes:

(a) The total carrying value of investment properties was S$1,653.5 million as at 31 March 2018. The net decrease was attributed mainly to the divestment of non–core property at 9 Bukit Batok in March 2018.

(b) At the Trust level, the cost of investment in wholly-owned subsidiaries comprises Cambridge SPV1 LLP, ESR-MTN and ESR-SPV2 and 80% equity interest in 7000 AMK, which are eliminated at the consolidated level.

(c) At the Trust level, the shareholder's loan of $50.5 million was provided to 7000 AMK to repay its existing bank loan at completion of the acquisition. The shareholder's loan is extended at ESR-REIT's all-in interest rate. Interest expense is payable in arrears in cash on a quarterly basis.

(d) Trade and other receivables increased by S$3.9 million mainly due to the payment of utilities deposits and inclusion of utilities receivables of 7000 AMK LLP.

(e) Trade and other payables increased by S$2.6 million mainly due to interest payable for loans and notes and payable for property management fees, partially offset by rental deposit refunds.

(f) Interest-bearing borrowings decreased due to loan repayments from the proceeds of preferential offering and existing cash in March 2018, net of unamortised loan transaction costs.

(g) The amount due to non-controlling interest represents 20% interest in 7000 AMK Pte. Ltd. that is not owned by the Trust.

(h) The amount relates to the transfer of property at 3 Tuas South Avenue to the Trust from Cambridge LLP in 3Q2017.

(i) ESR-REIT has issued S$150 million of subordinated perpetual securities ("Perps") under Series 006 of its S$750 million Multicurrency Debt Issuance Programme ("Series 006 PS"). The Perps confer a right to receive distribution at a rate of 4.60% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Payment to ordinary unitholders can only be made if the payment to Perp holders has already been made.

The Series 006 PS may be redeemed at the option of ESR-REIT in whole, but not in part, on 3 November 2022 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 006 PS is classified as equity instruments and recorded as equity in the financial statements.

(j) MTN Series 003 of S$155.0 million has been recorded as a current liability as it matures in November 2018. This has led to a net current liabilities position in 1Q2018. The Manager believes that the Group's existing financial resources (comprising S$213.0 million available from existing loan facilities as at 31 March 2018 and significant capacity under the Debt Issuance Programme), is sufficient.

1(b)(ii) Aggregate amount of borrowings

	Note	Group and Trust	
		31-03-18 S$'000	31-12-17 S$'000
Unsecured borrowings			
Amount payable within one year		155,000	155,000
Less: Unamortised loan transaction costs		(74)	(105)
		154,926	154,895
Amount payable after one year		347,000	517,000
Less: Unamortised loan transaction costs		(1,907)	(2,104)
		345,093	514,896
Total unsecured borrowings		500,019	669,791
Total borrowings		**500,019**	**669,791**

Details of borrowings and collateral:

(a) Unsecured borrowings

The unsecured borrowings of the Group comprise:

(i) the following notes issued under its S$750 million Multicurrency Debt Issuance Programme:

- S$30 million six-year Singapore Dollar MTN in series 002 (the "Series 002 Notes") issued in April 2014 and maturing in April 2020. The Series 002 Notes have a fixed interest rate of 4.10% per annum payable semi-annually in arrears;

- S$155 million four-year Singapore Dollar MTN in series 003 comprising Tranche 1 S$100 million Notes issued in November 2014 and Tranche 2 S$55 million Notes issued in January 2015 respectively. These notes tranches, which were issued and consolidated to form a single series (the "Series 003 Notes"), have a fixed interest rate of 3.50% per annum payable semi-annually in arrears and mature in November 2018;

- S$130 million five-year Singapore Dollar MTN in series 004 (the "Series 004 Notes") issued in May 2015 and maturing in May 2020. The Series 004 Notes have a fixed interest rate of 3.95% per annum payable semi-annually in arrears; and

- S$50 million seven-year Singapore Dollar MTN in series 005 (the "Series 005 Notes") issued in May 2016 and maturing in May 2023. The Series 005 Notes have a fixed interest rate of 3.95% per annum payable semi-annually in arrears.

(ii) 4-year unsecured loan facility maturing in June 2019 from CIMB ("TLF1") consisting of:

- Facility A: S$100 million term loan facility at a fixed interest rate of 3.60% per annum for 3.5 years from the date of loan drawn down; and

- Facility B: S$50 million revolving credit facility at an interest rate of margin plus swap offer rate.

A total of S$107.0 million was drawn down on the TLF1 as at 31 March 2018.

(iii) 4.75-year unsecured loan facility maturing in June 2021 from HSBC ("TLF2") consisting of:

- Facility A: S$25 million term loan facility at an interest rate of margin plus swap offer rate, for 4.75 years from the date of loan drawn down; and

- Facility B: S$175 million revolving credit facility at an interest rate of margin plus swap offer rate. Facility B was increased from S$75 million to S$175 million in December 2017.

A total of S$30.0 million was drawn down on the TLF2 as at 31 March 2018.

(b) Unencumbered investment properties

As at 31 March 2018, the Group has 47 unencumbered investment properties with a combined carrying value of approximately S$1.65 billion*, representing 100% of the investment properties by value.

*Includes a 20% non-controlling interest in 7000 AMK valued at S$60.6 million as at 31 March 2018.

1 (c) Statements of Cash Flows

	Note	Group	
		1Q2018 S$'000	1Q2017 S$'000
Cash flows from operating activities			
Total return for the period before income tax and distribution		15,199	12,641
Adjustments for:			
Interest income		(23)	(11)
Borrowing costs		6,066	5,011
Gain on disposal of investment property		(128)	-
Operating income before working capital changes		**21,114**	**17,641**
Changes in working capital			
Trade and other receivables		(5,079)	(52)
Trade and other payables		876	(2,514)
Income tax paid		(744)	-
Net cash generated from operating activities		**16,167**	**15,075**
Cash flows from investing activities			
Net cash outflow on purchase of investment properties	(a)	(1,163)	-
Capital expenditure on investment properties		(1,032)	(4,966)
Proceeds from disposal of investment properties		23,900	-
Payment for divestment costs		(167)	-
Interest received		23	11
Net cash from/(used in) investing activities		**21,561**	**(4,955)**
Cash flows from financing activities			
Proceeds from issuance of new units	(b)	141,939	-
Issue costs for perpetual securities paid		(271)	-
Payment for preferential offering issue costs		(105)	-
Proceeds from borrowings		-	9,000
Borrowing costs paid		(2,734)	(1,338)
Repayment of borrowings		(170,000)	(4,000)
Distributions paid to Unitholders	(c)	(8,172)	(12,992)
Distribution to non-controlling interest		(182)	-
Net cash used in financing activities		**(39,525)**	**(9,330)**
Net (decrease)/increase in cash and cash equivalents		**(1,797)**	**790**
Cash and cash equivalents at beginning of the period		**11,651**	**3,699**
Cash and cash equivalents at end of the period		**9,854**	**4,489**

Notes:

(a) Net cash outflow on investment properties (including acquisition related costs)

These were payments for legal and professional fees related to the acquisitions of property and the special purpose vehicle, 7000 AMK Pte. Ltd., in December 2017.

(b) Proceeds from issuance of new units

In 1Q2018, ESR-REIT raised S$141.9 million gross proceeds from a preferential offering to its existing unitholders on the basis of 199 new units for every 1000 existing units. Approximately 262.8 million new units were issued on 28 March 2018. The use of the gross proceeds, together with the divestment proceeds of a non-core investment property at 9 Bukit Batok in March 2018, were deployed to pare down debts amounting to a total of S$170.0 million during the quarter.

(c) Non cash transactions

The Group issued 7.2 million ESR-REIT units amounting to approximately S$4.0 million (net of withholding tax) in 1Q2018 to unitholders who participated in the DRP, as part payment of the 4Q2017 distribution.

1(d)(i) Statements of Movements in Unitholders' funds

	Group		Trust	
	1Q2018 S$'000	1Q2017 S$'000	1Q2018 S$'000	1Q2017 S$'000
Unitholders' Funds				
Balance at beginning of period	**778,889**	**827,029**	**765,063**	**811,952**
Operations				
Total return for the period attributable to Unitholders and perpetual securities holders	14,217	12,641	14,176	12,451
Less: Amount reserved for distribution to perpetual securities holders	(1,701)	-	(1,701)	-
Net increase in net assets resulting from operations	**12,516**	**12,641**	**12,475**	**12,451**
Unitholders' transactions				
Issuance of units pursuant to:				
- Distribution Reinvestment Plan	4,031	-	4,031	-
- Preferential Offering	141,939	-	141,939	-
Payment of equity costs pursuant to:				
- Distribution Reinvestment Plan	(74)	-	(74)	-
- Preferential Offering	(1,000)	-	(1,000)	-
Distributions to Unitholders	(12,203)	(12,992)	(12,203)	(12,992)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**132,693**	**(12,992)**	**132,693**	**(12,992)**
Balance at end of period	**924,098**	**826,678**	**910,231**	**811,411**
Perpetual Securities Holders' Funds				
Balance at beginning of period	**151,115**	**-**	**151,115**	**-**
Amount reserved for distribution to perpetual securities holders	1,701	-	1,701	-
Balance at end of period	**152,816**	**-**	**152,816**	**-**
Total	**1,076,914**	**826,678**	**1,063,047**	**811,411**

1(d)(ii) Details of any changes in the units

	Trust	
	1Q2018 Units	1Q2017 Units
Issued units at the beginning of period	**1,313,623,314**	**1,304,434,416**
Issue of new units pursuant to:		
- Distribution Reinvestment Plan	7,229,019	-
- Preferential offering [(1)]	262,849,614	-
Total issued units at the end of the period	**1,583,701,947**	**1,304,434,416**

Note:

(1) Preferential Offering units issued on 28 March 2018 at an issue price of S$0.54 per new unit.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

The total number of issued units, excluding treasury units, as at the end of the current and the preceding financial periods are disclosed in 1(d)(ii). There were no treasury units acquired since the date of listing of ESR-REIT on 25 July 2006.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements ("SSRE") 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity".*

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Please see attached review report.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the financial year ended 31 December 2017, except that in the financial period, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2018. The adoption of these standards did not have any effect on the financial performance or position of the Group.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the period

	Note	Group	
		1Q2018	1Q2017
EPU			
Total return after income tax before distribution for the period (S$'000)		12,516	12,641
Weighted average number of units ('000)		1,327,876	1,304,434
Basic and diluted EPU (cents)	(a)	0.943	0.969
DPU			
Total amount available for distribution for the period (S$'000)		13,426	13,105
Applicable number of units for calculation of DPU ('000)		1,583,702	1,304,434
DPU (cents)	(b)	0.847	1.004

Notes:

(a) The basic EPU was calculated using total return after income tax before distribution for the period, which included gain on disposal of investment property and the weighted average number of units in issue during the period. The basic and diluted EPU were the same as there were no dilutive instruments in issue during the period.

(b) DPU was calculated using the total amount available for distribution and the number of units entitled to distribution during the period. The number of units included units issued on 28 March 2018 pursuant to the Preferential Offering.

7 Net asset value ("NAV") per unit based on units issued at the end of the period

		Group		Trust	
	Note	31-03-18	31-12-17	31-03-18	31-12-17
NAV (cents)	(a)	58.4	59.3	57.5	58.2

Note:

(a) NAV per unit was calculated based on the number of units issued as at the end of the respective periods.

The decrease was attributed to the impact of units issued during the quarter pursuant to the preferential offering in March 2018 and to DRP as part payment of the distribution for 4Q2017.

8 Review of the performance

The review of the performance is found in Section 1(a) – Statements of Total Return and Distribution Statement and Section 1(b)(i) – Statement of Financial Position.

9 Review of the performance against Forecast/Prospect Statement

The Group has not disclosed any forecast to the market.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on advance estimates by Ministry of Trade of Industry ("MTI"), Singapore economy grew by 4.3% on year-on-year basis in the 1Q2018, higher than the 3.6% growth in the 4Q2017. On quarter-on-quarter seasonally-adjusted annualized basis, the economy expanded by 1.4%, a moderation from 2.1% growth in the fourth quarter.

Singapore's Purchasing Managers' Index ("PMI") for March 2018 posted a reading of 53.0, a slight increase from 52.7 in the preceding month. This was the 19th consecutive month of expansion (i.e. a reading above 50), attributed mainly to faster growth in factory output, higher new orders and new exports.

Notwithstanding the continuing strength of the PMI and the improved manufacturing outlook, the overall industrial property market remains soft. Global uncertainties, rising operating costs and persistent new supply continued to weigh down on rents and occupancy rates. The Jurong Town Corporation ("JTC") 4Q 2017 Industrial Property Statistics showed prices and rental of industrial space continued to moderate. As new supply is expected to taper in the next 1-2 years, prices and rental may start to stabilise in tandem with occupancy rates. The overall price and rental indices for the industrial property market fell by 1.1% and 0.1% respectively compared to the previous quarter.

During the quarter, ESR-REIT successfully renewed one master lease at 28 Woodlands Loop bringing down the FY2018 lease expiry concentration for single-tenanted properties from 7.2% to 6.0% of portfolio rental income. Included in this total is the lease expiry of the Nobel Design Holdings Pte Ltd master lease in 16 Tai Seng Street which currently contributes 4.7% of portfolio rental income. This is expected to negatively impact earnings in H2 FY2018 as the tenant is likely to downsize its space requirement and the rental will likely be below current contracted rental. FY2018 earnings will also be affected by the pre-termination of the Tellus Marine lease in 21B Senoko Loop which previously made up about 2.4% of portfolio rental income. We are now in negotiations with a prospective tenant to take up the master lease of this property.

Although an increase in enquiries have been noted recently, the Manager expects the leasing market to remain competitive due to continuing new supply which is not expected to abate until late 2018. Accordingly, ESR-REIT's portfolio performance will continue to be impacted by the prevailing downward pressure on rents resulting in further negative rental reversions. Nevertheless, the Manager will continue to focus on improving asset quality and maintaining occupancy in the current challenging leasing market.

Proposed merger with Viva Industrial Trust

The Manager of ESR-REIT has announced a proposed merger of all the issued and paid-up stapled securities of Viva Industrial Trust ("VIT") held by the stapled securityholders of VIT and the units in ESR-REIT held by the unitholders ("Proposed Merger").

The Proposal contemplates that:

- the proposed merger will be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the stapled securityholders by way of a trust scheme of arrangement (the" Scheme") in accordance with the Singapore Code on Take-overs and Mergers; and

- the consideration under the Scheme for the stapled securities will be satisfied by the allotment and issue by ESR-REIT of new ESR-REIT units to the stapled securityholders.

There is no certainty or assurance that any definitive agreements will be entered into or that any transaction will materialise from the current discussions.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	**Forty-ninth** distribution for the period from 1 January 2018 to 31 31 March 2018
Distribution Type:	Taxable income/Tax-exempt income
Distribution Rate:	0.847 cents per unit comprising: (a) taxable income 0.814 cents per unit (b) tax-exempt income 0.033 cents per unit
Par value of units:	Not meaningful
Tax Rate:	Taxable income distribution The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets). Tax-exempt income distribution The tax-exempt income component of the distribution is exempt from tax in the hands of all Unitholders. No tax will be deducted at source from such distributions.
Books closure date:	30 April 2018
Date payable:	31 May 2018

The Manager has determined that the DRP **will not apply** to the distribution for the period from 1 January 2018 to 31 March 2018.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	**Forty-fifth** distribution for the period from 1 January 2017 to 31 March 2017
Distribution Type:	Taxable income
Distribution Rate:	1.004 cents per unit
Par value of units:	Not meaningful
Tax Rate:	Taxable income distribution The distribution is made out of ESR-REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets).

12 If no distribution has been declared/(recommended), a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any IPT mandate from the Unitholders.

14 CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

15 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

This release 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 (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 ESR-REIT business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board
ESR Funds Management (S) Limited
(as Manager of ESR-REIT)
Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-5

Adrian Chui
Chief Executive Officer
20 April 2018

Building a better working world

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

Attention : Ms Hoi Sau Kheng

ESR Funds Management (S) Limited
(in its capacity as Manager of ESR-REIT)
138 Market Street
#26-03/04 CapitaGreen
Singapore 048946

Attention: Mr Shane Hagan

Dear Sirs

ESR-REIT and its subsidiaries
Review of interim financial information for the three-month period ended 31 March 2018

Introduction

We have reviewed the accompanying interim financial information of ESR-REIT (the "Trust") and its subsidiaries (collectively, the "Group") for the three-month period ended 31 March 2018 (the "Interim Financial Information"). The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 31 March 2018;
- Portfolio statement of the Group as at 31 March 2018;
- Statement of total return of the Group for the three-month period ended 31 March 2018;
- Distribution statement of the Group for the three-month period ended 31 March 2018;
- Statements of movements in unitholders' funds of the Group and the Trust for the three-month period ended 31 March 2018;
- Statement of cash flows of the Group for the three-month period ended 31 March 2018; and
- Certain explanatory notes to the above Interim Financial Information.

ESR Funds Management (S) Limited, the Manager of the Trust, is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express an opinion on this Interim Financial Information based on our review.

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Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of the RAP 7 relevant to interim financial information issued by the Institute of Singapore Chartered Accountants.

Restriction of use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim financial information for the purpose of assisting the Trust in meeting the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

19 April 2018

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1. DIRECTORS

The names, addresses and designations of the directors of the VIT Managers as at the Latest Practicable Date are as follows:

Name	Address	Designation
Dr. Leong Horn Kee	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Chairman and Independent Non-Executive Director
Mr. Richard Teo Cheng Hiang	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Independent Non-Executive Director
Dr. Choong Chow Siong	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Independent Non-Executive Director
Mr. Ronald Lim Cheng Aun	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Independent Non-Executive Director
Mr. Tong Jinquan	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Non-Executive Director of the VI-REIT Manager only
Mr. Tan Hai Peng Micheal	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Non-Executive Director
Mr. Tan Kim Seng	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Non-Executive Director
Mr. Wilson Ang Poh Seong	c/o 750 Chai Chee Road #04-03 Viva Business Park Singapore 469000	Chief Executive Officer and Executive Director

2. PRINCIPAL ACTIVITIES

VIT is a stapled group comprising VI-REIT and VI-BT, which are managed by VI-REIT Manager and VI-BT Trustee-Manager respectively. VI-REIT is a real estate investment trust constituted in the Republic of Singapore under a trust deed dated 23 August 2013 and as amended and restated by the VI-REIT Trust Deed. VI-BT is a business trust constituted in the Republic of Singapore under the VI-BT Trust Deed dated 14 October 2013 and registered under the Business Trusts Act on 25 October 2013. Listed on the Main Board of the SGX-ST on 4 November 2013, VIT is a Singapore-focused business park and industrial real estate investment trust.

The principal activity of VI-REIT is owning income-producing real estate that is predominantly for business parks and other industrial purposes in Singapore and elsewhere in the Asia-Pacific region. VI-BT is predominantly inactive.

3. STAPLED SECURITIES

3.1. Stapled Securities

As at the Latest Practicable Date, VIT has 975,758,607 Stapled Securities in issue. VIT has not issued any Stapled Securities since 4 April 2018.

3.2. Rights of the Stapled Securityholders in respect of Capital, Distributions and Voting

Selected texts of the VIT Trust Deeds relating to the rights of the Stapled Securityholders in respect of capital, distributions and voting have been extracted and reproduced in Appendix G to this Scheme Document

3.3. Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, Stapled Securities or securities which carry voting rights affecting Stapled Securities.

4. FINANCIAL INFORMATION

4.1. Consolidated Income Statements

Set out below is certain financial information extracted from the audited consolidated financial statements of the VIT Group for FY2015, FY2016 and FY2017, and the unaudited consolidated financial statements of the VIT Group for 1Q2018.

The financial information for FY2015, FY2016 and FY2017 should be read in conjunction with the audited consolidated financial statements of the VIT Group and the accompanying notes as set out in the annual reports of VIT for FY2015, FY2016 and FY2017 respectively and the financial information for 1Q2018 should be read in conjunction with the unaudited

consolidated financial statements of the VIT Group and the accompanying notes as set out in the unaudited consolidated financial statements of the VIT Group for 1Q2018.

	1Q2018 $'000	FY2017 $'000	FY2016 $'000	FY2015 $'000
Gross revenue	28,692	111,663	95,119	73,989
Property expenses	(7,641)	(29,857)	(26,641)	(23,150)
Net property income	**21,051**	**81,806**	**68,478**	**50,839**
Rental support/rental arrangement	2,756	14,719	12,719	13,540
REIT Manager's fees	(1,797)	(8,743)	(6,163)	(5,100)
REIT Trustee's fees	(51)	(194)	(183)	(180)
Amortisation of intangible assets	(825)	(3,300)	(3,300)	(4,057)
Other trust expenses	(414)	(1,468)	(1,077)	(845)
Finance income	4	20	55	15
Finance expenses	(5,231)	(20,488)	(21,669)	(15,604)
Net income	**15,493**	**62,352**	**48,860**	**38,608**
Change in fair value of investment properties	(3,894)	(20,457)	172	61,123
Change in fair value of derivative financial instruments	1,442	(811)	(4,092)	2,636
Total return before income tax	**13,041**	**41,084**	**44,940**	**102,367**
Income tax expense	(464)	(2,481)	(2,145)	(2,227)
Total return after income tax	**12,577**	**38,603**	**42,795**	**100,140**
Earnings per Stapled Security (cents)				
Basic	1.289	3.990	4.885	14.662
Diluted	1.289	3.990	4.885	14.662
Distribution per Stapled Security (cents)	**1.838**	**7.472**	**6.958**	**7.000**

4.2. Distribution per Stapled Security

Set out below is also a summary of the distribution per Stapled Security declared in respect of each of FY2015, FY2016, FY2017 and 1Q2018. This information was extracted from the annual reports of VIT for FY2015, FY2016 and FY2017 and the unaudited consolidated financial statements of the VIT Group for 1Q2018.

	1Q2018	FY2017	FY2016	FY2015
Distribution per Stapled Security (cents)	1.838	7.472	6.958	7.000

Distributions of VIT represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of VIT are contributed solely by VI-REIT as VI-BT remains inactive. Accordingly, only the distribution of VI-REIT has been included for the purpose of calculating the distribution per Stapled Security.

4.3. Consolidated Statement of Financial Position

The audited consolidated statement of financial position of the VIT Group as at 31 December 2017, being the latest published audited consolidated statement of financial position of the VIT Group prior to the Latest Practicable Date, is set out below.

The audited consolidated statement of financial position of the VIT Group as at 31 December 2017 should be read in conjunction with the audited consolidated financial statements of the VIT Group and the accompanying notes as set out in the annual report of VIT for FY2017.

	FY2017 $'000
Non-current assets	
Investment properties	1,284,700
Intangible assets	2,778
	1,287,478
Current assets	
Trade and other receivables	21,445
Cash and cash equivalents	9,472
	30,917
Total assets	**1,318,395**

	FY2017 $'000
Non-current assets	
Non-current liabilities	
Trade and other payables	8,700
Interest-bearing borrowings	420,774
Derivative financial instruments	2,476
	431,950
Current liabilities	
Trade and other payables	35,364
Interest-bearing borrowings	99,770
Derivative financial instruments	113
Income tax payable	4,626
	139,873
Total liabilities	**571,823**
Net assets	**746,572**
Represented by:	
Stapled Securityholders' funds	
Unitholders' funds of VI-REIT	746,549
Unitholders' funds of VI-BT	23
	746,572
Stapled Securities issued and issuable ('000)	975,759
Net asset value per Stapled Security (cents)	76.512

Copies of the annual reports of VIT for FY2015, FY2016 and FY2017 and the unaudited consolidated financial statements of the VIT Group for 1Q2018 are available for inspection at the registered office of the VIT Managers at 750 Chai Chee Road, #04-03 Viva Business Park, Singapore 469000 during normal business hours from the date of this Scheme Document up to the Effective Date.

4.4. Material Changes in Financial Position

Save as disclosed in the unaudited consolidated financial statements of the VIT Group for 1Q2018 and any other information on the VIT Group which is publicly available (including without limitation, the announcements released by the VIT Managers, on behalf of VIT, on SGXNET), there have been no material changes in the financial position of VIT since 31 December 2017, being the date of the last published audited consolidated financial statements of the VIT Group.

4.5. Significant Accounting Policies

The significant accounting policies for the VIT Group are set out in the notes to the audited consolidated financial statements of the VIT Group for FY2017 and the unaudited consolidated financial statements of the VIT Group for 1Q2018, which are set out in Appendix H and Appendix I to this Scheme Document respectively. Save as disclosed in the notes to the audited consolidated financial statements of the VIT Group for FY2017 and the unaudited consolidated financial statements of the VIT Group for 1Q2018, there are no significant accounting policies or any matter from the notes of the financial statements of the VIT Group which are of any major relevance for the interpretation of the financial statements of the VIT Group.

4.6. Changes in Accounting Policies

As at the Latest Practicable Date, there are no changes in the accounting policies of the VIT Group which will cause the figures disclosed in this Paragraph 4 of this Appendix not to be comparable to a material extent.

5. DISCLOSURE OF INTERESTS

5.1. HOLDINGS OF ESR-REIT UNITS AND ESR-REIT CONVERTIBLE SECURITIES BY VIT

As at the Latest Practicable Date, none of the VIT Group entities owns, controls or has agreed to acquire any ESR-REIT Units or any ESR-REIT Convertible Securities.

5.2. Interests of Directors in ESR-REIT Units and ESR-REIT Convertible Securities

As at the Latest Practicable Date, and save as disclosed below and in this Scheme Document, none of the directors of the VIT Managers has any direct or indirect interests in the ESR-REIT Units or the ESR-REIT Convertible Securities.

Director	Direct Interest		Deemed Interest	
	No. of ESR-REIT Units	%[1]	No. of ESR-REIT Units	%
Mr. Richard Teo Cheng Hiang	16,714[2]	0.00	—	—
Mr. Tong Jinquan	85,210,531[2]	5.38	204,096,320[2][3]	12.89

Notes:

(1) All references to percentage shareholding of the issued units of ESR-REIT in this Paragraph 5.2 are based on the total issued ESR-REIT Units as at the Latest Practicable Date, being 1,583,701,947 ESR-REIT Units in issue.

(2) Including ESR-REIT Units subscribed pursuant to the preferential offering by ESR-REIT launched on 27 February 2018.

(3) Mr. Tong is the sole shareholder of SSPL which is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 204,096,320 ESR-REIT Units which Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd hold. Skyline Horizon Consortium Ltd holds 13,172,094 ESR-REIT Units directly and Wealthy Fountain Holdings Inc holds 190,924,226 ESR-REIT Units directly.

5.3. Interests of Directors in Stapled Securities

As at the Latest Practicable Date, based on the Register of Directors' Stapled Securityholdings maintained by the VIT Managers, the interests in Stapled Securities held by the directors of the VIT Managers are set out below.

Directors	Direct Interest		Deemed Interest	
	No. of Stapled Securities	%[1]	No. of Stapled Securities	%[1]
Dr. Leong Horn Kee	64,000	0.01	—	—
Mr. Richard Teo Cheng Hiang	200,000	0.02	—	—
Dr. Choong Chow Siong	—	—	—	—
Mr. Ronald Lim Cheng Aun	93,000	0.01	—	—
Mr. Tong Jinquan	54,745,285	5.61	433,215,996[2][3]	44.40
Mr. Tan Hai Peng Micheal	—	—	82,922,097[4][5]	8.50
Mr. Tan Kim Seng	—	—	1,587,304[6]	0.16
Mr. Wilson Ang Poh Seong	2,269,835	0.23	—	—

Notes:

(1) All references to percentage shareholding of the issued stapled securities of VIT in this Paragraph 5.3 are based on the total issued Stapled Securities as at the Latest Practicable Date, being 975,758,607 Stapled Securities in issue.

(2) Mr. Tong owns 100% of SSG, which in turn owns 100% of LRE, which in turn owns 100% of LWG. Mr. Tong is therefore deemed to be interested in the Stapled Securities held by LWG.

(3) Mr. Tong owns 100% equity interest in SSPL, which in turn owns 62.0% equity interest in Maxi, which in turn owns 55.55% equity interest in VIM. The VI-REIT Manager and VI-Property Manager are wholly-owned subsidiaries of VIM. Mr. Tong is therefore deemed to be interested in the Stapled Securities held by the VI-REIT Manager and the VI-Property Manager.

(4) Mr. Tan Hai Peng Micheal owns 20.0% equity interest in Teck Lee Holdings Pte. Ltd., which in turn owns 81.25% equity interest in HLGPL. Therefore, Mr. Tan Hai Peng Micheal is deemed to be interested in the Stapled Securities held by HLGPL, which holds 2,645,504 Stapled Securities. In addition, HLGPL owns 27.78% equity interest VIM which in turn owns 100% equity interest in the VI-REIT Manager and the VI-Property Manager. Therefore, Mr. Tan Hai Peng Micheal is also deemed to be interested in the Stapled Securities held by the VI-REIT Manager and the VI-Property Manager.

(5) Mr. Tan Hai Peng Micheal is a beneficiary of Ho Lee Group Trust and is therefore deemed to be interested in the Stapled Securities held by Perpetual (Asia) Limited, in its capacity as trustee of Ho Lee Group Trust.

(6) Mr. Tan Kim Seng owns 24.0% equity interest in Kim Seng Holdings Pte. Ltd. Therefore, Mr. Tan Kim Seng is deemed to be interested in the Stapled Securities held by Kim Seng Holdings Pte. Ltd.

5.4. Interests of Substantial Stapled Securityholders in Stapled Securities

As at the Latest Practicable Date, based on the Register of Substantial Securityholders maintained by VIT, the interests of the substantial securityholders of VIT in the Stapled Securities are set out below:

Substantial Securityholders	Direct Interest		Deemed Interest	
	No. of Stapled Securities	%[1]	No. of Stapled Securities	%[1]
LWG	418,881,174	42.93	—	—
Mr. Tong	54,745,285	5.61	433,215,996[2][3]	44.40
LRE	—	—	418,881,174[2]	42.93
SSG	—	—	418,881,174[2]	42.93
Perpetual (Asia) Limited, in its capacity as HLGT Trustee	65,941,771	6.76	—	—
Tan Thuan Teck	342,900	0.04	82,922,097[4][5]	8.50
Tan Hai Seng Benjamin	—	—	82,922,097[4][5]	8.50
Tan Hai Peng Micheal	—	—	82,922,097[4][5]	8.50
Ong Yew Lee	—	—	65,941,771[5]	6.76
Tan Yong Hiang Priscilla	—	—	65,941,771[5]	6.76
Seow Whye Pheng	—	—	65,941,771[5]	6.76
Seow Hwye Min	—	—	65,941,771[5]	6.76
Seow Whye Teck	355,000	0.04	65,941,771[5]	6.76
Seow Hwye Tiong	—	—	65,941,771[5]	6.76
Loh Guik Kiang	—	—	65,941,771[5]	6.76

Notes:

(1) All references to percentage shareholding of the issued stapled securities of VIT in this Paragraph 5.4 are based on the total issued Stapled Securities as at the Latest Practicable Date, being 975,758,607 Stapled Securities in issue.

(2) Mr. Tong owns 100% of SSG, which in turn owns 100% of LRE, which in turn owns 100% of LWG. Each of Mr. Tong, SSG and LRE is therefore deemed to be interested in the Stapled Securities held by LWG.

(3) Mr. Tong owns 100% equity interest in SSPL, which in turn owns 62.0% equity interest in Maxi, which in turn owns 55.55% equity interest in VIM. The VI-REIT Manager and VI-Property Manager are wholly-owned subsidiaries of VIM. Mr. Tong is therefore deemed to be interested in the Stapled Securities held by the VI-REIT Manager and the VI-Property Manager.

(4) Each of Mr. Tan Thuan Teck, Mr. Tan Hai Seng Benjamin and Mr. Tan Hai Peng Micheal owns not less than 20.0% equity interest in Teck Lee Holdings Pte. Ltd., which in turn owns 81.25% equity interest in HLGPL. HLGPL owns 27.78% equity interest VIM which in turn owns 100% equity interest in the VI-REIT Manager and the VI-Property Manager. Therefore, each of Mr. Tan Thuan Teck, Mr. Tan Hai Seng Benjamin and Mr. Tan Hai Peng Micheal is deemed to be interested in the Stapled Securities held by the VI-REIT Manager, the VI-Property Manager and HLGPL.

(5) Each of Mr. Tan Thuan Teck, Mr. Tan Hai Seng Benjamin, Mr. Tan Hai Peng Micheal, Mr. Ong Yew Lee, Ms. Tan Yong Hiang Pricilla, Mr. Seow Whye Pheng, Ms. Seow Hwye Min, Mr. Seow Whye Teck, Mr. Seow Hwye Tiong and Mr. Loh Guik Kiang is a beneficiary of Ho Lee Group Trust and is therefore deemed to be interested in the Stapled Securities held by Perpetual (Asia) Limited, in its capacity as trustee of Ho Lee Group Trust.

5.5. Interests of VIT Managers in Stapled Securities

As at the Latest Practicable Date, the interests of the VIT Managers are as follows:

VIT Managers	Direct Interest		Deemed Interest	
	No. of Stapled Securities	%(1)	No. of Stapled Securities	%(1)
VI-REIT Manager	13,069,691	1.34	—	—
VI-BT Manager	—	—	—	—

Note:

(1) All references to percentage shareholding of the issued stapled securities of VIT in this Paragraph 5.5 are based on the total issued Stapled Securities as at the Latest Practicable Date, being 975,758,607 Stapled Securities in issue.

6. DEALINGS DISCLOSURE

6.1. Dealings in ESR-REIT Units and ESR-REIT Convertible Securities by the VIT Group

None of the VIT Group Companies has dealt for value in the ESR-REIT Units or the ESR-REIT Convertible Securities during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date.

6.2. Dealings in ESR-REIT Units and ESR-REIT Convertible Securities by the Directors

Based on the latest information available to the VIT Managers, the details of dealings in ESR-REIT Units during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date by the directors of the VIT Managers are set out below. Save as disclosed below and in this Scheme Document, none of the directors of the VIT Managers has dealt for value in the ESR-REIT Units or the ESR-REIT Convertible Securities during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date:

Name	Transaction Date	Transaction Type	No. of ESR-REIT Units	Transaction price per ESR-REIT Unit (S$)
Mr. Richard Teo Cheng Hiang	28 March 2018	Subscription pursuant to preferential offering	11,114	0.54

Name	Transaction Date	Transaction Type	No. of ESR-REIT Units	Transaction price per ESR-REIT Unit (S$)
Mr. Tong Jinquan	28 March 2018	Subscription pursuant to preferential offering	48,076,732(1)	0.54

Note:

(1) Mr. Tong is the sole shareholder of SSPL which is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 204,096,320 ESR-REIT Units which Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd hold. Skyline Horizon Consortium holds 13,172,094 ESR-REIT Units directly and Wealthy Fountain Holdings Inc holds 190,924 ESR-REIT Units directly.

6.3. Dealings in Stapled Securities by the Directors

None of the directors of the VIT Managers has dealt for value in any Stapled Securities during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date.

6.4. Dealings in VIT Convertible Securities

None of the directors of the VIT Managers has dealt for value in any VIT Convertible Securities during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date.

7. INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

7.1. Interests of the VIT IFA in ESR-REIT Units and ESR-REIT Convertible Securities

As at the Latest Practicable Date, none of the VIT IFA, its related corporations or funds whose investments are managed by the VIT IFA or its related corporations on a discretionary basis, owns or controls any ESR-REIT Units or ESR-REIT Convertible Securities.

7.2. DEALINGS IN ESR-REIT UNITS AND ESR-REIT CONVERTIBLE SECURITIES BY THE VIT IFA

None of the VIT IFA, its related corporations or funds whose investments are managed by the VIT IFA or its related corporations on a discretionary basis has dealt for value in the ESR-REIT Units or ESR-REIT Convertible Securities during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date.

7.3. Interests of the VIT IFA in Stapled Securities and VIT Convertible Securities

As at the Latest Practicable Date, none of the VIT IFA, its related corporations or funds whose investments are managed by the VIT IFA or its related corporations on a discretionary basis, owns or controls any Stapled Securities or VIT Convertible Securities.

7.4. DEALINGS IN STAPLED SECURITIES AND VIT CONVERTIBLE SECURITIES BY THE VIT IFA

None of the VIT IFA, its related corporations or funds whose investments are managed by the VIT IFA or its related corporations on a discretionary basis has dealt for value in the Stapled Securities or VIT Convertible Securities during the period commencing three (3) months prior to the Initial Announcement Date and ending on the Latest Practicable Date.

8. ARRANGEMENTS AFFECTING DIRECTORS

8.1. No Payment or Benefit to Directors

As at the Latest Practicable Date, and save as disclosed in this Scheme Document (including in paragraph 2.11 of the Letter to Stapled Securityholders on the Manager Arrangements), there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the VIT Managers or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the VIT Managers as compensation for loss of office or otherwise in connection with the Scheme.

8.2. No Agreement Conditional upon Outcome of the Scheme

As at the Latest Practicable Date, and save as disclosed in this Scheme Document (including in paragraph 2.11 of the Letter to Stapled Securityholders on the Manager Arrangements), there is no agreement, arrangement or understanding made between any of the directors of the VIT Managers and any other person in connection with or conditional upon the outcome of the Scheme.

8.3. No Material Interest in Material Contracts

As at the Latest Practicable Date, and save as disclosed in this Scheme Document (including in paragraph 2.11 of the Letter to Stapled Securityholders on the Manager Arrangements), there are no material contracts entered into by the ESR-REIT Manager and ESR-REIT Trustee in which any director of the VIT Managers has a material personal interest, whether direct or indirect.

9. MATERIAL LITIGATION

As at the Latest Practicable Date:

(a) none of the VIT Group Entities is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially or adversely affect the financial position of the VIT Group taken as a whole; and

(b) the Directors are not aware of any proceedings pending or threatened against any of the VIT Group entities or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the VIT Group taken as a whole.

10. GENERAL DISCLOSURE

10.1. Financial Statements for FY2017 and 1Q2018

The audited consolidated financial statements of the VIT Group for FY2017 and the unaudited consolidated financial statements of the VIT Group for 1Q2018 are set out in Appendix H and Appendix I to this Scheme Document respectively.

10.2. Directors' Service Contracts

As at the Latest Practicable Date:

(a) there are no service contracts between any of the directors of the VIT Managers or proposed directors with any VIT Group Entity which have more than twelve (12) months to run and which are not terminable by the employing company within the next twelve (12) months without paying any compensation; and

(b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Initial Announcement Date and ending on the Latest Practicable Date.

10.3. Material Contracts with Interested Persons

As at the Latest Practicable Date, save as disclosed in the audited consolidated financial statements of the VIT Group for FY2015, FY2016 and FY2017, and the unaudited consolidated financial statements of the VIT Group for 1Q2018, the annual reports of VIT for FY2015, FY2016 and FY2017, and any other information on the VIT Group which is publicly available (including without limitation, the announcements released by the VIT Managers on SGXNET) as to material contracts with interested persons (within the meaning of Note 1 to Rule 23.12 of the Code) which are not in the ordinary course of business, none of the VIT Group entities has entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Initial Announcement Date and ending on the Latest Practicable Date.

10.4. Costs and Expenses

In the event that the Scheme does not become effective and binding for any reason, the expenses and costs incurred by the VIT Managers in connection with the Scheme will be paid out of the assets of VIT.

10.5. Directors' and VIT Managers' Intentions with respect to their Stapled Securities

Under the SIC's rulings as set out in Paragraph 6.2, Mr. Tong is required to abstain from voting on the Scheme. In addition, pursuant to Rule 748(5) of the Listing Manual, Mr. Ang (CEO) and Mr. Tong are required to abstain from voting on the Scheme as they have a material interest in the Scheme. Accordingly, each of Mr. Tong Jinquan and Mr. Ang (CEO) will abstain from voting their Stapled Securities on Resolution 1 at the Extraordinary General Meeting and on the Scheme Resolution at the Scheme Meeting.

In the absence of a VIT Competing Proposal, all of the VIT Independent Directors (Scheme) who legally and/or beneficially own Stapled Securities (amounting to approximately 58.94% of the total number of Stapled Securities), as set out in Paragraph 5.3 of Appendix E to this Scheme Document have informed the VIT Managers that they will **VOTE IN FAVOUR** of Resolution 1 at the Extraordinary General Meeting and the Scheme Resolution at the Scheme Meeting.

As at the Latest Practicable Date, the VIT Managers hold Stapled Securities (amounting to approximately 1.34% of the total number of Stapled Securities), as set out in Paragraph 5.5 of Appendix E to this Scheme Document. Pursuant to Rule 748(5) of the Listing Manual, the VIT Managers will abstain from voting on the Scheme.

11. VALUATION ON PROPERTIES

11.1. Valuation

An independent valuation exercise was conducted by the VIT Independent Valuer on all 9 of VIT's properties and the VIT Managers had obtained independent valuations as at 31 December 2017. The VIT Independent Valuer has reviewed its valuation as at 31 March 2018 and there was no material change to the valuation of VIT's properties as at 31 March 2018.

Please refer to Appendix M to this Scheme Document for a copy of the VIT Valuation Letter by the VIT Independent Valuer as independent valuer on the valuation of VIT's properties as at 31 March 2018. The valuation was arrived on the basis of valuation set out in the VIT Valuation Letter, which should be considered and read in conjunction with, and in the context of, the full text of the VIT Valuation Letter.

11.2. Potential Tax Liability

Under Rule 26.3 of the Code, the VIT Managers are required, *inter alia*, to make an assessment of any potential tax liability which would arise if VIT's properties were to be sold at the amount of valuation.

VIT is a long-term investor in its properties. Accordingly, the VIT Managers are of the view that all of VIT's properties have been acquired on capital account and any gain on disposal will not be subject to tax. The potential tax liabilities that may be incurred by the VIT Group on the hypothetical sale of VIT's properties on an "as is" basis is therefore zero.

12. CONSENTS

12.1. General

Rajah & Tann Singapore LLP, Shook Lin & Bok LLP, the VIT Financial Adviser and the Stapled Security Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to their names in the form and context in which they respectively appear in this Scheme Document.

12.2. VIT IFA

The VIT IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the VIT IFA Letter (Scheme), the VIT IFA Letter (VIT Facilitation Fee) and the VIT IFA Letter (VI-REIT Manager Transaction) as set out in Appendices A, B and C to this Scheme Document respectively, the review report on the unaudited consolidated financial statements of the VIT Group for 1Q2018 set out in Appendix K to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

12.3. Auditors

Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name and the auditors' report relating to the audited consolidated financial statements of the VIT Group for FY2017 as set out in Appendix H to this Scheme Document, the review report on the unaudited consolidated financial statements of the VIT Group for 1Q2018 set out in Appendix J to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

12.4. Reporting Accountants

Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name and the reporting accountant's report relating to the unaudited pro forma consolidated financial information of the Enlarged Trust as set out in Appendix L to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

12.5. VIT Independent Valuer

The VIT Independent Valuer has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name and the VIT Valuation Letters as set out in Appendix M to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the VIT Managers at 750 Chai Chee Road, #04-03 Viva Business Park, Singapore 469000 during normal business hours from the date of this Scheme Document up to the Effective Date:

(a) the VIT Trust Deeds;

(b) the annual reports of VIT for FY2015, FY2016 and FY2017;

(c) the unaudited consolidated financial statements of the VIT Group for 1Q2018;

(d) the unaudited pro forma consolidated financial information of the Enlarged Trust and the reporting accountant's report;

(e) the review report from Deloitte & Touche LLP on the unaudited consolidated financial statements of the VIT Group for 1Q2018;

(f) the review report from the VIT IFA on the unaudited consolidated financial statements of the VIT Group for 1Q2018;

(g) the VIT IFA Letter (Scheme);

(h) the VIT IFA Letter (VIT Facilitation Fee);

(i) the VIT IFA Letter (VI-REIT Manager Transaction);

(j) the VIT Valuation Letter;

(k) the Implementation Agreement; and

(l) the letters of consent referred to in Paragraph 12 of this Appendix E to this Scheme Document.

APPENDIX F — VIT TRUST DEEDS AMENDMENTS

PART 1

VIT TRUST SCHEME AMENDMENTS

1. AMENDMENT TO THE VI-REIT TRUST DEED

1.1. To insert the following provision as Clause 24A in the VI-REIT Trust Deed immediately after Clause 24:

"24A Trust Scheme

24A.1 Definitions

For the purposes of Clauses 15.2A and 24A:

"**Court**" means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

"**Offeror**" means any corporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Units by way of a Trust Scheme;

"**Scheme Meeting**" means the general meeting(s) (or any adjourned meeting(s)) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolutions;

"**Scheme Resolutions**" means resolutions of the Holders to approve the Trust Scheme, comprising:

(i) a resolution passed by Holders holding in the aggregate not less than three-fourths of the voting rights of all the Holders present and voting either in person or by proxy at the Scheme Meeting to approve the amendments to this Deed to facilitate the implementation of the Trust Scheme; and/or

(ii) a resolution passed by a majority in number of Holders representing at least three-fourths in value of the Units held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Trust Scheme; and

"**Trust Scheme**" means an arrangement under which an Offeror acquires all of the Units, which is subject to Scheme Resolutions being approved at a Scheme Meeting and by an order of the Court.

24A.2 Implementation of Trust Scheme

24A.2.1 Each Holder, the Trustee and the Manager shall do all things and execute all deeds, instruments, transfers or other documents as the Trustee and the Manager consider are necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it.

24A.2.2 Without limiting the Trustee's and the Manager's other powers under this Clause 24A, each of the Trustee and/or the Manager shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it.

24A.2.3 A Trust Scheme, in respect of which Scheme Resolutions have been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall be binding on the Trustee and the Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting, and those who vote against the Scheme Resolutions at the Scheme Meeting and to the extent of any inconsistency, overrides the other provisions of this Deed."

2. AMENDMENT TO THE VI-BT TRUST DEED

2.1. To insert the following provision as Clause 22A in the VI-BT Trust Deed immediately after Clause 22:

"22A **Trust Scheme**

22A.1 Definitions

For the purposes of Clause 22A:

"**Court**" means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

"**Offeror**" means any corporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Units by way of a Trust Scheme;

"**Scheme Meeting**" means the general meeting(s) (or any adjourned meeting(s)) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolutions;

"**Scheme Resolutions**" means resolutions of the Holders to approve the Trust Scheme, comprising:

(i) a resolution passed by Holders holding in the aggregate not less than three-fourths of the voting rights of all the Holders present and voting either in person or by proxy at the Scheme Meeting to approve the amendments to this Deed to facilitate the implementation of the Trust Scheme; and/or

(ii) a resolution passed by a majority in number of Holders representing at least three-fourths in value of the Units held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Trust Scheme; and

"**Trust Scheme**" means an arrangement under which an Offeror acquires all of the Units, which is subject to Scheme Resolutions being approved at a Scheme Meeting and by an order of the Court.

22A.2 Implementation of Trust Scheme

22A.2.1 Each Holder and the Trustee-Manager shall do all things and execute all deeds, instruments, transfers or other documents as the Trustee-Manager considers are necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it.

22A.2.2 Without limiting the Trustee-Manager's other powers under this Clause 22A, the Trustee-Manager shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it.

22A.2.3 A Trust Scheme, in respect of which Scheme Resolutions have been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall be binding on the Trustee-Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting, and those who vote against the Scheme Resolutions at the Scheme Meeting and to the extent of any inconsistency, overrides the other provisions of this Deed."

3. AMENDMENT TO THE STAPLING DEED

3.1. To amend Clause 10.2 of the Stapling Deed to reflect the deletion as indicated by the deleted text below and the addition as indicated by the underlined text below:

"Notwithstanding anything in the Listing Rules and the listing rules of any other relevant Recognised Stock Exchange, the REIT Manager and/or the Trustee-Manager may only make an application to de-list Viva Industrial Trust after it has been Listed if (a) the VI-REIT Unitholders and VI-BT Unitholders by a resolution passed by a vote representing ~~80%~~ 75% or more of the total number of votes cast for and against such a resolution at a meeting of Depositors duly convened and held in accordance with the provisions contained in Schedule 1 of the VI-REIT Trust Deed and the VI-BT Trust Deed (as the case may be), decide that Viva Industrial Trust is to be de-listed or (b) the VI-REIT Unitholders and the VI-BT Unitholders approve the passing of the Scheme Resolutions at the Scheme Meeting."

3.2. To insert the following provision as Clause 10A in the Stapling Deed immediately after Clause 10:

"**10A Trust Scheme**

10A.1 Definitions

For the purposes of Clauses 10 and 10A:

"**Court**" means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

"**Offeror**" means any corporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Stapled Securities by way of a Trust Scheme;

"**Scheme Meeting**" means the general meeting(s) (or any adjourned meeting(s)) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolutions;

"**Scheme Resolutions**" means resolutions of the Holders to approve the Trust Scheme, comprising:

(i) a resolution passed by Holders holding in the aggregate not less than three-fourths of the voting rights of all the Holders present and voting either in person or by proxy at the Scheme Meeting to approve the amendments to this Deed to facilitate the implementation of the Trust Scheme; and/or

(ii) a resolution passed by a majority in number of Holders representing at least three-fourths in value of the Stapled Securities held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Trust Scheme; and

"**Trust Scheme**" means an arrangement under which an Offeror acquires all of the Stapled Securities, which is subject to Scheme Resolutions being approved at a Scheme Meeting and by an order of the Court.

10A.2 Implementation of Trust Scheme

10A.2.1 Each Holder, the REIT Manager, the REIT Trustee and the Trustee-Manager shall do all things and execute all deeds, instruments, transfers or other documents as the REIT Manager, the REIT Trustee and the Trustee-Manager consider are necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it.

10A.2.2 Without limiting the REIT Manager's, the REIT Trustee's and the Trustee-Manager's other powers under this Clause 10A, each of the REIT-Manager, the REIT Trustee and the Trustee-Manager shall have the power to do all things which they consider necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it.

10A.2.3 A Trust Scheme, in respect of which Scheme Resolutions have been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall be binding on the REIT Manager, the REIT Trustee, the Trustee-Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting, and those who vote against the Scheme Resolutions at the Scheme Meeting and to the extent of any inconsistency, overrides the other provisions of this Deed."

PART 2

VIT FACILITATION FEE AMENDMENTS

1. AMENDMENT TO THE VI-REIT TRUST DEED

1.1. To insert the following provision as Clause 15.2A in the VI-REIT Trust Deed immediately after Clause 15.2:

"15.2A **Facilitation Fee**

15.2A.1 Subject to a Trust Scheme coming into effect on its effective date in accordance with its terms, the Manager shall be entitled to receive for its own account, out of the Deposited Property, a fee at the rate of 0.25% of the aggregate consideration to be paid to the Holders pursuant to the Trust Scheme (the "**Facilitation Fee**").

15.2A.2 The amount of the Facilitation Fee payable to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere. For the avoidance of doubt, the Trust shall bear all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed on the Facilitation Fee by the relevant authorities in Singapore or elsewhere.

15.2A.3 Form and Time of Payment of Facilitation Fee

(i) Subject to the Property Funds Appendix and any other applicable laws, rules and/or regulations, the Facilitation Fee shall be paid to the Manager or any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) in the form of cash out of the Deposited Property.

(ii) Notwithstanding anything in this Deed, the Facilitation Fee shall be paid to the Manager within 10 Business Days after the date on which the Trust Scheme becomes effective in accordance with its terms."

APPENDIX G — EXTRACTS FROM THE VIT TRUST DEEDS

The rights of Stapled Securityholders in respect of capital, distributions and voting as extracted and reproduced from the VIT Trust Deeds are set out below:

All capitalised terms used in the following extracts shall have the same meanings given to them in the VIT Trust Deeds, copies of which are available for inspection during normal business hours at the registered office of the VIT Managers from the date of this Scheme Document up until the Effective Date.

1. THE RIGHTS OF STAPLED SECURITYHOLDERS IN RESPECT OF CAPITAL

(a) VI-REIT TRUST DEED

2. PROVISIONS AS TO UNITS, HOLDERS AND STATEMENTS OF HOLDINGS

2.1 No Certificates

2.1.1 No certificate shall be issued to Holders by either the Manager or the Trustee in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Unit depository for the Trust, and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

2.1.2 For so long as the Trust is Listed on the SGX-ST, the Manager or the agent appointed by the Manager shall issue to the Depository not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

2.2 Form of Statements of Holdings

2.2.1 In the event the Trust is or becomes Unlisted, the Manager or the agent appointed by the Manager shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Manager or its agent shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee) a statement of holdings (the "**Statement of Holdings**"). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be agreed between the Manager and the Trustee.

2.2.2 For so long as the Trust is Listed and Units are registered in the name of the Depository, the Depository shall issue to each Depositor such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository's terms and conditions for operation of Securities Accounts.

2.3 Sub-division and Consolidation of Units

The Manager may at any time, with the approval of the Trustee and on prior written notice, given by the Manager to each Holder or (as the case may be) to each Depositor by the Manager or the Trustee delivering such notice in writing to such Holder or the Depository for onward delivery to the Depositors, determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly. The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor's Securities Account to reflect the new number of Units or where so permitted by the Relevant Laws, Regulations or Guidelines, the new number of Stapled Securities held by each Depositor as a result of such sub-division or consolidation. For the avoidance of doubt, for so long as Units are Stapled with another Security or other Securities, the Stapled Securities shall be sub-divided or consolidated in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the REIT Manager and the REIT Trustee for the purpose of Stapling Units to any other Security or Securities.

2.4 Terms and Conditions of Trust Deed, Supplemental Deeds and Stapling Deed to Bind Holders

2.4.1 The terms and conditions of this Deed and any supplemental deed shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and any supplemental deed may require the Trustee or (as the case may be) the Manager to do.

2.4.2 For so long as the Trust and VI-BT are part of a Stapled Group and the Units are stapled with the VI-BT Units, the terms and conditions of the Stapling Deed and of any supplemental deed shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if the Stapling Deed and any supplemental deed contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as the Stapling Deed and any supplemental deed may require the Trustee or (as the case may be) the Manager to do.

2.5 Availability of Trust Deed

A copy of this Deed and of any supplemental deed for the time being in force shall be made available for inspection at the registered office of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person in accordance with the Relevant Laws, Regulations and Guidelines and on application at a charge not exceeding S$10 per copy document.

2.6 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person recognised by the Trustee or by the Manager as having any right, title or interest in or to the Units registered in his name and the Trustee and the Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary or to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

2.7 Variation of Rights

2.7.1 Whenever the Units of the Trust is divided into different Classes of Units, subject to the provisions of the Relevant Laws, Regulations and Guidelines, preference Units, other than redeemable preference Units, may be repaid and the special rights attached to any Class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued Units of the Class or with the sanction of an Extraordinary Resolution at a separate meeting of holders of the Units of the Class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a winding-up. To every such meeting of Holders, all the provisions of this Deed relating to meetings of Holders (including, but not limited to the provisions of Schedule 1) shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued Units of the Class and that any holder of Units of the Class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every Unit of the Class held by him, PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from the holders of three-quarters of the issued Units of the Class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to some only of the Units of any Class as if each group of Units of the Class differently treated formed a separate Class the special rights whereof are to be varied.

2.7.2 The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

2.7.3 For the avoidance of doubt, notwithstanding that any Class of Units are Stapled with another Security or other Securities, any variation of the rights attached to such Class of Units shall be carried out in accordance with this Clause 2.7.

2.8 Rights of Manager in Respect of Units Not Registered

For so long as the Trust is Unlisted, the Manager shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue. Nothing herein contained shall prevent the Manager from becoming registered as the Holder of Units.

2.9 Restrictions

The Holders shall not give any directions to the Manager or the Trustee (whether at a meeting of Holders convened pursuant to Clause 30 or otherwise) and if such directions are given, the Manager and/or the Trustee shall be entitled to disregard such instructions if it would require the Manager or Trustee to do or omit from doing anything which may result in:

2.9.1 the Trust, the Manager or the Trustee, as the case may be, ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange on or after the Listing Date and such other Relevant Laws, Regulations and Guidelines; or

2.9.2 the exercise of any discretion expressly conferred on the Trustee or the Manager by this Deed or the determination of any matter which under this Deed requires the agreement of either or both of the Trustee and the Manager; PROVIDED THAT nothing in this Clause 2.9.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.

2.10 Provision as to Units, Holders and Statements of Holdings where the Trust is part of the Stapled Group

In the event that the Trust is part of the Stapled Group, the provisions of this Clause 2 shall apply with such modifications and qualifications as may be necessary, as though references to Holders and Units were references to references to holders of Stapled Securities and Stapled Securities respectively, and reference to this Deed shall be read to include the Stapling Deed.

3. REGISTRATION OF HOLDERS

3.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the Trustee or the Registrar in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee or the Registrar shall record the Depository as the registered holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee or the Registrar shall record each Holder as the registered holder of Units held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee or the Registrar receives the following relevant information:

3.1.1 the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);

3.1.2 the number of Units held by each Holder;

3.1.3 the class of Units held by each Holder;

3.1.4 the date on which every such person entered in respect of the Units standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;

3.1.5 the date on which any transfer is registered and the name and address of the transferee; and

3.1.6 where applicable, the date on which any person ceases or ceased to be a Holder of Units.

Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect.

3.3 Listed Units

For so long as the Trust is Listed on the SGX-ST, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect. For so long as the Trust is Listed, the Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clause 3.1.1 to 3.1.6 in relation to each Depositor. Each Depositor named in the Depository Register shall, for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register, and the Manager and the Trustee shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Units. The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the Manager, the Trustee and the Depository, that the Depository Register is incorrect.

3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee of the same and the Trustee shall alter or cause to be altered the Register accordingly.

3.5 Inspection of Register

3.5.1 The Trustee shall give the Manager and its representatives, or procure that the Manager and its representatives are given, access to the Register and all subsidiary documents and records relating thereto at all reasonable times during Business Hours and allow them to, or procure that they are allowed to, inspect and to take copies of the same with prior notice and without charge but neither the Manager nor its representatives shall be entitled to remove the same (save in the case where the Manager is required to produce the Register to a court of competent jurisdiction or otherwise as required by law) or to make any entries therein or alterations thereto. Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

3.5.2 If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents and records relating thereto. Thereafter, the Trustee shall not retain any copies of the aforesaid documents and records unless required by law.

3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee may from time to time determine, PROVIDED THAT it shall not be closed for more than 30 days in any one Year.

3.7 Transfer of Units

3.7.1 For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Depositors credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be

deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than aforesaid) be entered upon the Depository Register.

3.7.2 For so long as the Trust is Unlisted and is not part of a Stapled Group, every Holder, Joint-All Holder (with the concurrence of all the other Joint-All Holders) and Joint-Alternate Holder shall be entitled to transfer all or any of the Units held by him as follows:

(i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Manager and the Trustee may from time to time approve). The instrument of transfer need not be a deed;

(ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and subject to the provisions of Clauses 3.7 to 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof;

(iii) all charges in relation to such transfer as may be imposed by the Trustee shall be borne by the Holder who is the transferor; and

(iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.

3.7.3 Every instrument of transfer must be duly stamped (if required by law) and left with the Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Units.

3.7.4 For so long as the Trust is Unlisted, the Manager shall notify the Trustee of the date of each transfer effected in respect of Units and the name and address of the transferee and the Trustee shall alter or cause to be altered the Register accordingly.

3.7.5 For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded by the Manager to, and retained by, the Trustee.

3.7.6 For so long as the Trust is Unlisted, a fee not exceeding S$10 (or such other amount as the Manager and the Trustee may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee, be paid before the registration of any transfer.

3.7.7 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

3.7.8 So long as the Trust is not part of a Stapled Group, no transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3.7 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

3.7.9 The Trustee shall have the powers to rectify the Register if it appears to the Trustee that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) is wrongly entered or omitted.

3.7.10 Subject to compliance with procedures provided in this Clause 3.7, there shall be no restriction in this Deed on the transfer of fully paid Units except where required by law or by the Relevant Laws, Regulations and Guidelines.

3.8 Death of Holders

The executors or administrators of a deceased Holder (not being a Joint Holder) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders of Units. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, subject to Clause 3.13, be the only person recognised by the Trustee and the Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository's terms and conditions for the operation of Securities

Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of such succession, be the only person recognised by the Trustee and the Manager as having title to the Units.

3.10 Minors

A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders of Units but may be registered as one of the Joint-All Holders of Units, PROVIDED THAT at least one of the Joint-All Holders is a person who has attained the age of 18 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the other Joint-All Holder or Joint-All Holders who has or have attained the age of 18 years.

3.11 Transmission

3.11.1 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee and the Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of his desire to be recognised as Holder or transfer such Unit to some other person. The Manager shall notify the Trustee upon the receipt by it of any such notice and the Trustee shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

3.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

3.11.3 The Manager may retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

3.12 Payment of Fee

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee, must be paid before the registration of any transfer.

3.13 Removal from Register

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue.

3.14 Registrar

The Trustee may, with the approval of the Manager, at any time or from time to time appoint an agent on its behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property of the Trust.

5. ISSUE OF UNITS

5.1 General

5.1.1 Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Manager may think fit Provided That, in connection with the initial Listing of the Trust on the SGX-ST, the Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Manager) and for so long as the Trust is Listed, the Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each Holder's entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

5.1.2 The Manager may by deed supplemental hereto with the Trustee issue Classes of Units under such terms and conditions as may be contained therein.

5.1.3 Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preference Units shall not exceed the total number of ordinary Units at any time. Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting

convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.

5.1.4 The Manager has power to issue further preference capital ranking equally with, or in priority to, preference Units already issued.

5.1.5 The Trust may be Listed on the SGX-ST pursuant to Clause 9 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.

5.1.6 For so long as the Trust is Listed, the Manager may issue Units provided that the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.

5.1.7 Notwithstanding anything in this Clause 5.1, for so long as Units are Stapled with another Security or other Securities, Units will be issued at an Issue Price in accordance with such terms and conditions as may be prescribed in the Stapling Deed.

5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price

5.2.1 Prior to the Listing Date, the Manager may, subject to the provision of this Deed and any Relevant Laws, Regulations and Guidelines, issue Units at any time to any person at any issue price per Unit ("**Issue Price**") and on such terms and conditions as the Manager may determine in its absolute discretion.

5.2.2 The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Manager, or within such range to be determined by the Manager, on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed between the Manager and the Trustee, subject to any Relevant Laws, Regulations and Guidelines.

5.2.3 Subject to Clause 5.2.2, the Manager may extend a discount to the Issue Price under an initial public offering of Units to any applicant who successfully applies to purchase more than such number of Units (as determined by the Manager in its absolute discretion) in a single application, subject to compliance with the Listing Rules and any Relevant Laws, Regulations and Guidelines.

5.2.4 The Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

5.3 Issue Price of Units when the Trust is Listed

5.3.1 Subject to Clauses 5.3.2, 5.3.3, 5.3.4 and 15.1.4(iv) and to any Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose "**Market Price**" shall mean:

(i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or

(ii) if the Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit.

5.3.2 Subject to Clauses 5.3.3 and 5.3.4, for so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders provided that the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.

5.3.3 Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of meetings of Holders in proportion, as far as circumstances admit, to

the number of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Manager may dispose of those Units in a manner as it thinks most beneficial to the Trust. The Manager may likewise dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Manager, be conveniently offered under this provision.

5.3.4 Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted

Where the Units and/or the Trust become Unlisted after the Listing Date, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.5 Units Issued on Unpaid or Partly Paid Basis

5.5.1 Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

5.5.2 In the event that the Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.

5.5.3 Calls on Units

(i) The Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.

(ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Manager may determine.

(iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Manager may determine but the Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

(iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(v) The Manager may on the issue of Units differentiate between the Holders as to the amount of calls to be paid and the times of payment.

(vi) The Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.

5.5.4 Forfeiture and Lien

(i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.

(ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.

(iii) If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Manager may accept a surrender of any Unit liable to be forfeited hereunder.

(iv) A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Manager shall think fit and at any time before

a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Manager thinks fit. The Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.

(v) A Holder or Depositor whose Units have been forfeited or surrendered shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Manager may determine) from the date of forfeiture or surrender until payment and the Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.

(vi) The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distribution from time to time declared in respect of such Units. Such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts as the Trust may be called upon by law to pay in respect of the Units of the Holder or deceased Holder. The Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause.

(vii) The Trust may sell in such manner as the Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.

(viii) The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.

(ix) A statutory declaration in writing that the declarant is a director or secretary of the Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Manager shall procure that his name be entered in the

Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.

5.6 Units Issued to Persons Resident Outside Singapore

Subject to any Relevant Laws, Regulations and Guidelines, if a Unit is to be issued to a person resident outside Singapore, the Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore after having regard to the relevant considerations including whether the Manager considers such election to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In relation to any rights issue or (as the case may be) any preferential offering, the Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue or preferential offering to those Holders whose addresses are outside Singapore. In the case of a rights issue, the provisional allocations of Units of such Holders may be offered for sale by the Manager (as the nominee and authorised agent of each such relevant Holder) in such manner and at such price as the Manager may determine. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders PROVIDED THAT, where the proceeds payable to any single Holder is less than S$10, the Manager shall be entitled to retain such proceeds as part of the Deposited Property.

5.7 Non-payment of Issue Price

Subject to the Relevant Laws, Regulations and Guidelines and unless otherwise provided in the relevant agreement, application form or other document relating to the issuance of the Units, where (i) where payment of the Issue Price payable in respect of any Unit agreed to be issued by the Manager has not been received by the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Manager and the Trustee may agree) or (ii) the Issue Price paid in respect of any Unit is returned to the Holder, such Unit may, in its absolute discretion, at that time or any time thereafter be cancelled by the Manager by giving notice to that effect to the applicant and such Unit shall thereupon be deemed never to have been issued or agreed to be issued (as the case may be) and the applicant therefor shall have no right or claim in respect thereof against the Manager or the Trustee, PROVIDED THAT:

5.7.1 no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;

5.7.2 the Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as they may from time to time determine to represent the administrative costs involved in processing the application for such Units from such applicant; and

5.7.3 the Manager may, but shall not be bound to, require the applicant to pay to the Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

5.8 Updating of Securities Account

For so long as the Trust is Listed on the SGX-ST, the Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Manager.

5.9 Selling Price of Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Manager is or is deemed to be the Holder may be sold or offered for sale by the Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.10 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Manager. Besides the number of Units purchased, the bases on which the Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Manager for the Trust.

5.11 Statement of Dealings

The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which it determines to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained it determines to direct to be sold for account of the Trust, and any other information which may be necessary so that the Trustee may be in a position to ascertain at any moment the Net Asset Value of the Deposited Property. The Trustee shall be entitled to require that the Manager refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of this Clause 5 in regard to the issue of Units are being infringed; but nothing in this Clause 5.11 or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of this Clause 5.

5.12 Suspension of Issue

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while the Trust is Listed), suspend the issue of Units during any of the following events:

5.12.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

5.12.2 the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;

5.12.3 any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;

5.12.4 any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;

5.12.5 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority or any other relevant regulatory authority;

5.12.6 in relation to any general meeting of the Holders, any 48 hour period before such general meeting or any adjournment thereof; or

5.12.7 when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.12 shall exist upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee. In the event of any suspension while the Trust is Listed, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

5.13 Issue of Units Stapled to Other Securities

5.13.1 Subject to clause 5.1 and the Relevant Laws, Regulations and Guidelines, the Manager may issue Units at any time to any person on the basis that such Units are to be Stapled to another Security or other Securities as Stapled Securities and on such terms and conditions as the Manager may determine in its absolute discretion.

5.13.2 For the purposes of this clause 5.13, the Manager shall determine the proportion of the Issue Price, the Repurchase Price or buy-back price of the Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities.

5.13.3 For so long as the Stapled Group is Unlisted, the Manager may determine from time to time the proportion of the Current Stapled Security Value which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager, the Trustee and any other part(y/ies) for the purpose of issuing Units Stapled with any other Security or Securities.

5.13.4 In the event that the Stapled Group is Listed, the Manager may determine from time to time the proportion of the Market Price of the Stapled Security which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities. For this purpose "**Market Price**" shall mean the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the stapled securities are Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day.

7. REPURCHASE AND REDEMPTION OF UNITS BY MANAGER

7.1 Repurchase and Redemption Restrictions when Trust is Unlisted

When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.1.

7.2 Repurchase and Redemption Restrictions when Trust is Listed

7.2.1 General

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.2. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix). The Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but

not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix), suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.12.

7.2.2 Holders' Approval

For so long as the Trust is Listed on the SGX-ST, the Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the "**Unit Buy-back Mandate**"), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.

7.2.3 Maximum Limit

The total number of Units which may be repurchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

7.2.4 Duration of Authority

Repurchases of Units may be made during the Relevant Period. "**Relevant Period**" is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

(i) the date the next Annual General Meeting is or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or

(ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated,

whichever is earlier.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.

7.3 Repurchase Price

For the purposes of Clauses 7.1 and 7.2, the Repurchase Price shall be:

7.3.1 in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Manager's offer to repurchase or cause the redemption of Units is accepted; and

7.3.2 in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Manager's offer to repurchase or redeem Units is made), unless prohibited by the Relevant Laws, Regulations and Guidelines, the Current Unit Value of the relevant Units on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.12.

7.4 Repurchase or Redemption Options of Manager

In the event the Manager decides to make any offer to repurchase or redeem Units, the Manager shall have the following options:

7.4.1 to effect a repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);

7.4.2 to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or

7.4.3 Provided That there is sufficient Cash in the Trust, and subject to compliance with the Relevant Laws, Regulations and Guidelines, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units. The Trustee shall only comply if, in the opinion of the Trustee, sufficient Cash would be retained in the Deposited Property after the release of Cash necessary to comply with the redemption notice to meet other Liabilities, including but without limiting the generality thereof, the Property Expenses and the remuneration due to the Trustee and the Manager under this Deed. Should the Trustee advise the Manager that, in the opinion of the Trustee, sufficient Cash would not be retained in the Deposited Property to meet other Liabilities if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may, at its absolute discretion, request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient Cash to redeem the Units pursuant to this Clause 7.4.3.

7.5 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or (as the case may be) such number of Units.

7.6 Redeemed Units are Cancelled

Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.6 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units.

7.7 Manner of Repurchase

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager may:

7.7.1 purchase or acquire Units on a securities exchange ("**Market Purchase**"); or

7.7.2 make an offer to repurchase Units, otherwise than on a securities exchange and by way of an "off-market" acquisition of the Units on an "equal access scheme" (as defined below) ("**Off-Market Purchase**"),

(each a form of "**Unit Buy-back**"), and to deal with any of the Units so purchased or acquired in accordance with this Clause 7.

For the purpose of this Clause 7, an equal access scheme is a scheme which satisfies the following criteria:

(i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:

(a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;

(b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and

(c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

7.8 Procedure for Repurchase of Units via a Market Purchase

For so long as the Trust is Listed on the SGX-ST, where Units are repurchased via a Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise a Market Purchase shall:

7.8.1 specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;

7.8.2 determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);

7.8.3 specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and

7.8.4 specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.8.1 to 7.8.4.

7.8.5 The authority for a Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

(i) specifying a particular sum; or

(ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9 Procedure for Repurchase of Units via an Off-Market Purchase

7.9.1 For so long as the Trust is Listed on the SGX-ST, where Units are repurchased via an Off-Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

(i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;

(ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);

(iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and

(iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.9.1(i) to 7.9.1(iv).

The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

(a) specifying a particular sum; or

(b) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9.2 For so long as the Trust is Listed on the SGX-ST, in the event that the Manager decides to make any offer to repurchase Units via an Off-Market Purchase, the Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Manager will repurchase, in accordance with this Clause 7, such of the Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.

7.10 Reporting Requirements

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager shall:

7.10.1 notify the SGX-ST (in the form of an announcement on the SGX-ST) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and

7.10.2 make an announcement on the SGX-ST at the same time it notifies the SGX-ST of any purchase of Units pursuant to any Unit Buy-back Mandate, that the board of directors of the Manager is satisfied on reasonable grounds that, immediately after the purchase of Units, the Manager will be able to fulfil, from the Deposited Property, the Liabilities as these liabilities fall due."

(b) VI-BT TRUST DEED

2. PROVISIONS AS TO UNITS, HOLDERS AND STATEMENTS OF HOLDINGS

2.1 No Certificates

2.1.1 No certificate shall be issued to Holders by the Trustee-Manager in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Unit depository for the Trust and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

2.1.2 For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager or the Registrar shall issue to the Depository, not more than 10 Business Days after

the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such a confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

2.2 Form of Statements of Holdings

2.2.1 In the event the Trust is or becomes Unlisted, the Trustee-Manager or the Registrar shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Trustee-Manager or the Registrar shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be determined by the Trustee-Manager) a statement of holdings (the "**Statement of Holdings**"). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be determined by the Trustee-Manager.

2.2.2 For so long as the Trust is Listed and Units are registered in the name of the Depository, the Depository shall, issue to each Depositor the relevant contract statements, confirmation notes, statements of accounts balances, and at such intervals, as may be provided in the Depository's terms and conditions for operation of Securities Accounts

2.3 Sub-division and Consolidation of Units

2.3.1 The Trustee-Manager may, at any time and on giving prior written notice (such notice period shall be determined by the Trustee-Manager in its absolute discretion) to each Holder or (as the case may be) to each Depositor by the Trustee-Manager delivering such notice in writing to such Holder or the Depository for onward delivery to the Depositors, determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly.

2.3.2 The Trustee-Manager shall require each Holder (who shall be bound accordingly) to deliver up his confirmation note or notes (if any) for endorsement or enfacement with the number of Stapled Securities thereby represented as a result of such sub-division or consolidation, or (in the case of a sub-division only) send or cause to be sent to each Holder at his risk, a confirmation note representing the number of additional Stapled Securities to which he has become entitled by reason of the sub-division.

2.3.3 The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee-Manager shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor's Securities Account to reflect the new number of Units or where so permitted by the Relevant Laws, Regulations and Guidelines, the new number of Stapled Securities held by each Depositor as a result of such sub-division or consolidation.

2.3.4 For the avoidance of doubt, for so long as Units are Stapled with another Security or other Securities, the Stapled Securities shall be sub-divided or consolidated in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Trustee-Manager for the purpose of Stapling Units to any other Security or Securities.

2.4 Terms and Conditions of Trust Deed, Supplemental Deeds and Stapling Deed to Bind Holders

2.4.1 The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the Trustee-Manager to do.

2.4.2 For so long as the Trust and VI-REIT are part of a Stapled Group and the Units are stapled with VI-REIT Units, the terms and conditions of the Stapling Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as the Stapling Deed and any supplemental deed (including any amending and restating deed) may require the Trustee-Manager to do.

2.5 Availability of Trust Deed

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered office of the Trustee-Manager at all times during usual Business Hours and shall be supplied by the Trustee-Manager to any person in accordance with the Relevant Laws, Regulations and Guidelines on application at a charge not exceeding S$10 per copy document.

2.6 Rights attached to Units

The rights attached to Units issued upon special conditions shall be clearly defined in this Deed. Without prejudice to any special right previously conferred on the Holders of any existing Units or Class of Units but subject to the Relevant Laws, Regulations and Guidelines and this Deed, any Units may be issued by the Trustee-Manager and any such Units may be issued with such preferred, deferred, subordinated or other special rights or such restrictions, whether in regard to distributions, voting or otherwise as the Trustee-Manager may determine.

2.7 Variation of Rights

2.7.1 If at any time different Classes of Units are issued, the rights attached to any Class (unless otherwise provided by the terms of issue of the Units of that Class) may, subject to the provisions of the Relevant Laws, Regulations and Guidelines,

whether or not the Trust is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution of the Holders in respect of Units of that Class, and to every such Extraordinary Resolution the provisions of this Deed relating to meetings of Holders shall apply *mutatis mutandis* PROVIDED THAT the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued Units of the Class and that any Holder in respect of Units of that Class present in person or by proxy or by attorney may demand a poll and that every such Holder shall on a poll have one vote for every Unit of the class held by him, PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from holders of three-quarters of the issued Units of the class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to only some of the Units of any class as if each group of Units of the class differently treated formed a separate class the special rights whereof are to be varied.

2.7.2 The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

2.7.3 For the avoidance of doubt, notwithstanding that any Class of Units are Stapled with another Security or other Securities, any variation of the rights attached to such Class of Units shall be carried out in accordance with this Clause 2.7.

2.8 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person entitled to be recognised by the Trustee-Manager as having any right, title or interest in or to the Units registered in his name and the Trustee-Manager may recognise such Holder or (as the case may be) such Depositor as the absolute owner thereof and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by any court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

2.9 Restrictions on Directions

The Holders shall not give any directions to the Trustee-Manager (whether at a meeting of Holders convened pursuant to Clause 28 or otherwise) if it would require the Trustee-Manager to do or omit from doing anything which may result in:

2.9.1 the Trust or the Trustee-Manager ceasing to comply with the Relevant Laws, Regulations and Guidelines or any other applicable laws and regulations; or

2.9.2 the exercise of any discretion expressly conferred on the Trustee-Manager by this Deed or the determination of any matter which under this Deed requires the agreement of the Trustee-Manager, PROVIDED THAT nothing in this Clause 2.9.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.

2.10 Provisions as to Units, Holders and Statements of Holdings where Trust is part of the Stapled Group

In the event that the Trust is part of the Stapled Group, the provisions of this Clause 2 shall apply, with such modifications and qualifications as may be necessary, as though references to Holders and Units were references to the holder of Stapled Securities and Stapled Securities respectively and reference to this Deed shall be read to include the Stapling Deed.

3. REGISTRATION OF HOLDERS

3.1 Register of Holders

3.1.1 The Trustee-Manager shall exercise Due Care in procuring an up-to-date Register to be kept in Singapore in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee-Manager or the Registrar shall record the Depository as the registered Holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee-Manager shall record each Holder as the registered Holder of Units held by such Holder. The Trustee-Manager shall be entitled to appoint the Registrar to keep and maintain the Register.

3.1.2 There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee-Manager or the Registrar receives the following relevant information:

(i) the names and addresses of the Holders (and, in the case where the registered Holder is the Depository, the name and address of the Depository);

(ii) the Class of Units held by each Holder;

(iii) the number of Units held by each Holder;

(iv) the date on which every such person entered in respect of the Units standing in his name became a Holder and, where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;

(v) the date on which any transfer is registered and the name and address of the transferee; and

(vi) the date on which any person ceases or ceased to be a Holder of Units.

3.1.3 Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves to the satisfaction of the Trustee-Manager that the Register is incorrect.

3.3 Listed Units

3.3.1 For so long as the Trust is Listed on the SGX-ST, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and each Holder (other than the Depository) and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Trustee-Manager to the Depository or (as the case may be) the Holder under Clause 2.1, the entries in the Register shall prevail unless the Trustee-Manager and the Depository mutually agree that the Register is incorrect and in the case of a Holder (other than the Depository), where the Holder proves to the satisfaction of the Trustee-Manager that the Register is incorrect.

3.3.2 For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clauses 3.1.2(i) to 3.1.2(vi) in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Units.

3.3.3 The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves to the satisfaction of the Trustee-Manager and the Depository, that the Depository Register is incorrect.

3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified by such Holder to the Trustee-Manager, whether in writing or in such other manner as the Trustee-Manager may approve, who, on being satisfied with the change in name or address and that all formalities as may be required by the Trustee-Manager have been complied with, shall alter or cause to be altered the Register accordingly.

3.5 Inspection of Register

Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee-Manager may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT, if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system, the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee-Manager may from time to time determine PROVIDED THAT it shall not be closed for more than 30 Business Days in any one year.

3.7 Transfer of Units

3.7.1 For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Trustee-Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Holders credited into Securities Accounts and to pay out of the Trust Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Trustee-Manager and/or the Depository shall be borne by the Holder who is the transferor. There are no restrictions as to the number of Units which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Units from a Securities Account and credited into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered on the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1, shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than aforesaid) be entered upon the Depository Register.

3.7.2 For so long as the Trust is Unlisted, and is not part of a Stapled Group, every Holder shall be entitled to transfer any of the Units held by him or, in the case of Joint Holders, by any one of the Joint Holders as follows:

(i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Trustee-Manager may from time to time approve);

(ii) every instrument of transfer referred to in Clause 3.7.2(i) relating to Units must be signed by the transferor and the transferee and, subject to the provisions of Clauses 9.7, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed;

(iii) all charges in relation to such transfer as may be imposed by the Trustee-Manager shall be borne by the Holder who is the transferor; and

(iv) there are no restrictions as to the number of Units which may be transferred.

3.7.3 Every instrument of transfer referred to in Clause 3.7.2(i) must be duly stamped (if required by law) and left with the Trustee-Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines and by such evidence as the Trustee-Manager may require to prove the title of the transferor or his right to transfer the Units.

3.7.4 For so long as the Trust is Unlisted, the Trustee-Manager shall alter or cause to be altered the Register to record the date of each transfer of Units in accordance with Clause 3.7.2 and the name and address of the transferee.

3.7.5 For so long as the Trust is Unlisted, all instruments of transfer which are registered in respect of Units transferred in accordance with Clause 3.7.2 shall be forwarded to, and retained by the Trustee-Manager.

3.7.6 For so long as the Trust is Unlisted, a fee not exceeding S$10 (or such other amount as the Trustee-Manager may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee-Manager for its own account for the registration of any transfer of Units in accordance with Clause 3.7.2 by an instrument of transfer of Units. Such fee must, if required by the Trustee-Manager, be paid before the registration of any transfer.

3.7.7 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 9.7 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

3.7.8 So long as the Trust is not part of a Stapled Group, no transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3.7 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

3.7.9 The Trustee-Manager shall have the power to rectify the Register if it appears to the Trustee-Manager that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) is wrongly entered or omitted.

3.7.10 Subject to compliance with procedures provided in this Clause 3.7, there shall be no restriction in this Deed on the transfer of fully paid Units except where required by law or by the Relevant Laws, Regulations and Guidelines.

3.8 Death of Holders

The heirs, executors or administrators of a deceased Holder (not being a Joint Holder) shall be the only persons recognised by the Trustee-Manager as having title to the Units. In the case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor(s), upon producing such evidence of death as the Trustee-Manager may require, shall be the only person or persons recognised by the Trustee-Manager as having any title to or interest in the Units PROVIDED THAT where the sole survivor is a Minor, the Trustee-Manager shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years.

3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation, subject to Clause 3.13, shall be the only person recognised by the Trustee-Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or a Joint Depositor shall be in accordance with the Depository's terms and conditions for the holding and operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Trustee-Manager of such succession, be the only person recognised by the Trustee-Manager as having title to the Units.

3.10 Minors

A Minor shall not be registered as a sole Holder but may be registered as a Joint Holder PROVIDED THAT at least one of the other Joint Holders is a person who has attained the age of 18 years. In the event that one of the Joint Holders is a Minor, the Trustee-Manager need only act on the instructions given by the other Joint Holder or Joint Holders who has or have attained the age of 18 years.

3.11 Transmission

3.11.1 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee-Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Trustee-Manager notice in writing of his desire to be recognised as Holder or transfer

such Unit to some other person. The Trustee-Manager shall upon the receipt by it of any such notice alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

3.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

3.11.3 The Trustee-Manager may retain any moneys payable in respect of any Unit which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

3.12 Payment of Fee

In respect of the registration of any probate, letters of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee-Manager may require from the person applying for such registration a fee of S$10 (or such other amount as the Trustee-Manager may from time to time determine) together with a sum sufficient in the opinion of the Trustee-Manager to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee-Manager, must be paid before the registration of any transfer.

3.13 Removal from Register

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Trustee-Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Trustee-Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue. For the avoidance of doubt, such transfer in favour of the Trustee-Manager shall be in its capacity as trustee-manager of the Trust.

3.14 Registrar

The Trustee-Manager may, at any time or from time to time, appoint an agent on its behalf to, *inter alia*, keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Trustee-Manager and the Registrar) shall be paid out of the Trust Property.

5. ISSUE OF UNITS, PREFERENCE UNITS AND INSTRUMENTS CONVERTIBLE INTO UNITS

5.1 Issue of Units

5.1.1 Notwithstanding anything to the contrary in this Deed, no Units may be issued and no offer, agreement or option which would or might require Units to be issued may be made or granted without prior approval of the Holders in general meeting by passing an Ordinary Resolution in accordance with Section 36 of the Business Trusts Act but subject thereto and to other requirements of the Relevant Laws, Requirements and Guidelines, the Trustee-Manager may issue new Units (whether on an initial issue of Units, a Rights Issue, an issue of new Units otherwise than by way of a Rights Issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Trustee-Manager may think fit.

5.1.2 In connection with the initial Listing of the Trust on the SGX-ST, the Trustee-Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Trustee-Manager) and for so long as the Trust is Listed, the Trustee-Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on an initial issue of Units, a Rights Issue, an issue of new Units otherwise than by way of a Rights Issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Trustee-Manager shall, in respect of each Holder's entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Trust Property.

5.1.3 Issues of Units shall only be made on a Business Day unless and to the extent that the Trustee-Manager otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

5.1.4 The Trustee-Manager may by deed supplemental hereto issue Classes of Units under such terms and conditions as may be contained therein.

5.1.5 Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preference Units shall not exceed the total number of ordinary Units at any time. Preference Holders shall have the same rights as ordinary Holders as regards receiving notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purposes of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the Preference Units for more than six months is in arrear.

5.1.6 The Trustee-Manager has the power to issue further preference capital ranking equally with, or in priority to, Preference Units already issued.

5.1.7 The Trust may be Listed on the SGX-ST pursuant to Clause 8 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.

5.1.8 If the Trust is Listed on the SGX-ST, or any other Recognised Stock Exchange, then the Trustee-Manager shall not thereafter issue any further Units in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and any Relevant Laws, Regulations and Guidelines, except where such Units are issued in such circumstances as permitted by the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and any Relevant Laws, Regulations and Guidelines or otherwise as required or permitted by the SGX-ST, the relevant Recognised Stock Exchange or any relevant authorities.

5.1.9 Subject to Clause 5.1.11, for so long as the Trust is Listed, the Trustee-Manager may issue Units provided that the Trustee-Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Business Trusts Act or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a Rights Issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a Rights Issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Business Trusts Act or any other Relevant Laws, Regulations and Guidelines.

5.1.10 Notwithstanding anything in this Clause 5.1, for so long as Units are Stapled with another Security or other Securities, Units will be issued at an Issue Price in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Trustee-Manager for the purpose of Stapling Units to any other Security or Securities.

5.1.11 Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of the meetings of Holders in proportion, as far as the circumstances admit, to the number of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Trustee-Manager may dispose of those Units in such manner as they think most beneficial to the Trust. The Trustee-Manager may likewise so dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Trustee-Manager, be conveniently offered under this Clause 5.1.11.

5.2 Issue Price of Units Prior to the Listing Date

5.2.1 Prior to the Listing Date, the Trustee-Manager may, subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines, issue Units at any time to any person at any issue price per Unit ("**Issue Price**") and on such terms and conditions as the Trustee-Manager may determine in its absolute discretion.

5.2.2 The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Trustee-Manager, or within such range to be determined by the Trustee-Manager, on or before the Listing Date for such Units, PROVIDED THAT the Trustee-Manager may delegate the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Trustee-Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as they may agree. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed by the Trustee-Manager, subject to any Relevant Laws, Regulations and Guidelines.

5.2.3 The Trustee-Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

5.3 Issue Price of Units when the Trust is Listed

5.3.1 Subject to Clauses 5.1.1, 5.3.2, 5.3.3 and 5.3.4, Section 36 of the Business Trusts Act and any Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Trustee-Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose "**Market Price**" shall mean:

(i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or

(ii) if the Trustee-Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Trustee-Manager (after consultation with a Stockbroker approved by the Trustee-Manager), as being the fair market price of a Unit and the basis for determining the market price will be announced on the SGXNET for so long as the Trust is Listed on the SGX-ST.

5.3.2 Subject to Clause 5.3.3 and 5.3.4, for so long as the Trust is Listed on the SGX-ST, the Trustee-Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders provided that, in determining the Issue Price and the premium or discount, if any, to the Issue Price, including, but not limited to:

(iii) the Issue Price for a Rights Issue on a pro-rata basis to all existing Holders;

(iv) the Issue Price of a Unit issued other than by way of a Rights Issue offered on a pro-rata basis to all existing Holders;

(v) the Issue Price for any reinvestment of distribution arrangement;

(vi) the Issue Price for any Units which are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust; and

(vii) the Issue Price for a conversion of instruments which may be convertible into Units,

the Trustee-Manager complies with the Listing Rules and any other Relevant Laws, Regulations and Guidelines in determining the Issue Price. If the Issue Price determined by the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules and any other Relevant Laws, Regulations and Guidelines.

5.3.3 Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of meetings of Holders in proportion, as far as circumstances admit, to the amount of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Trustee-Manager may dispose of those Units in a manner as it thinks most beneficial to the Trust. The Trustee-Manager may likewise dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Trustee-Manager, be conveniently offered under this provision.

5.3.4 Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Trustee-Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

5.4 Issue Price of Units where the Trust is Delisted

Where the Trust becomes Unlisted after the Listing Date, the Trustee-Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Trustee-Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Trustee-Manager for its own benefit and the amount of the adjustment shall be retained as part of the Trust Property.

5.5 Units Issued on Unpaid or Partly Paid Basis

5.5.1 Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

5.5.2 In the event that the Trustee-Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.

5.5.3 Calls on Units

(i) The Trustee-Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.

(ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Trustee-Manager may determine.

(iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Trustee-Manager may determine but the Trustee-Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

(iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(v) The Trustee-Manager may on the issue of Units differentiate between the holders as to the amount of calls to be paid and the times of payment.

(vi) The Trustee-Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable)

the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Trustee-Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.

5.5.4 Forfeiture and Lien

(i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Trustee-Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.

(ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.

(iii) If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Trustee-Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Trustee-Manager may accept a surrender of any Unit liable to be forfeited hereunder.

(iv) A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Trustee-Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Trustee-Manager thinks fit. The Trustee-Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.

(v) A Holder or Depositor whose Units have been forfeited or surrendered shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Trustee-Manager may determine) from the date of forfeiture or surrender until payment and the Trustee-Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.

(vi) The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distributions from time to time declared in respect of such Units provided that such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts

as the Trust may be called upon by law to pay in respect of the Units of the holder or deceased holder. The Trustee-Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause.

(vii) The Trust may sell in such manner as the Trustee-Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.

(viii) The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Trustee-Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.

(ix) A statutory declaration in writing that the declarant is a director or secretary of the Trustee-Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Trustee-Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.

5.6 Units Issued to Persons Resident Outside Singapore

5.6.1 If a Unit is to be issued to a person resident outside Singapore, the Trustee-Manager shall be entitled to charge for its own account an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred by the Trustee-Manager over the amount of expenses which would have been incurred if such person had been resident in Singapore.

5.6.2 In relation to any Rights Issue or (as the case may be) any preferential offering, the Trustee-Manager may in its absolute discretion elect not to extend an offer of Units under the Rights Issue or preferential offering to those Holders whose addresses are outside Singapore, after having regard to the relevant considerations including whether the Trustee-Manager considers such election to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements

of the relevant regulatory body or stock exchange in that place. In the case of a Rights Issue, the provisional allocations of Units of such Holders may be offered for sale by the Trustee-Manager as the nominee and authorised agent of each such relevant Holder in such manner and at such price as the Trustee-Manager may determine. Where necessary, the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant Holders whose rights or entitlements have been thus sold, PROVIDED THAT where the proceeds payable to any single Holder is less than S$10, the Trustee-Manager shall be entitled to retain such proceeds as part of the Trust Property.

5.7 Non-payment of Issue Price

Subject to the Relevant Laws, Regulations and Guidelines and unless otherwise provided in the relevant agreement, application form or other document relating to the issuance of the Units, where (i) payment of the Issue Price payable in respect of any Unit agreed to be issued by the Trustee-Manager has not been received by the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Trustee-Manager may agree) or (ii) the Issue Price paid in respect of any Unit is returned to the Holder, such Unit may, in the absolute discretion of the Trustee-Manager, at that time or any time thereafter be cancelled by the Trustee-Manager by giving notice to that effect to the applicant and such Unit shall thereupon be deemed never to have been issued or agreed to be issued (as the case may be) and the applicant therefor shall have no right or claim in respect thereof against the Trustee-Manager, PROVIDED THAT:

5.7.1 no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;

5.7.2 the Trustee-Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the application for such Units from such applicant;

5.7.3 the Trustee-Manager may, but shall not be bound to, require the applicant to pay to the Trustee-Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Trustee-Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

5.8 Updating of Securities Account

For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall cause the Depository to effect the book entry of Units issued to a Depositor into such Depositor's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Trustee-Manager.

5.9 Selling Price of Trustee-Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Trustee-Manager is or is deemed to be the Holder may be sold or offered for sale by the Trustee-Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary

Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Trustee-Manager for its own benefit and the amount of the adjustment shall be retained as part of the Trust Property.

5.10 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Trustee-Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Trustee-Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Trustee-Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Trustee-Manager. Besides the number of Units purchased, the bases on which the Trustee-Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Trustee-Manager for the Trust.

5.11 Suspension of Issue

The Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while the Trust is Listed), suspend the issue of Units during any of the following events:

5.11.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

5.11.2 the existence of any state of affairs which, in the opinion of the Trustee-Manager, might seriously prejudice the interests of the Holders as a whole or of the Trust Property;

5.11.3 any breakdown in the means of communication normally employed in determining the price of any Trust Assets or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when, for any reason, the prices of Trust Assets cannot be promptly and accurately ascertained;

5.11.4 any period when remittance of money which will or may be involved in the realisation of Trust Assets or in the payment for Trust Assets cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;

5.11.5 in relation to any general meeting of the Holders, any 48 hour period before such general meeting or any adjournment thereof; or

5.11.6 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority or other relevant regulatory authorities;

5.11.7 in relation to any general meeting of the Holders, any 48 hour period before such general meeting or any adjournment thereof; or

5.11.8 when the business operations of the Trustee-Manager in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

5.11.9 Such suspension shall take effect forthwith upon the declaration in writing thereof by the Trustee-Manager and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.11 shall exist upon the declaration in writing thereof by the Trustee-Manager. In the event of any suspension while the Trust is Listed, the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

5.12 Issue of Instruments Convertible into Units

The Trustee-Manager may issue instruments which may be convertible into Units (including but not limited to any options, Securities, warrants, debentures or other instruments that might or would require Units to be issued) for consideration or for no consideration and on such terms of offer and issue as the Trustee-Manager may determine, subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines relating to the offer or issue of instruments which may be convertible into Units.

5.13 Issue of Preference Units

5.13.1 Preference Units may be issued subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines, as well as any limitation as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preference Units shall not exceed the total number of Units issued at any time.

5.13.2 Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.

5.13.3 The Trustee-Manager has the power to issue further preference capital ranking equally with, or in priority to, Preference Units already issued.

5.13.4 The Trustee-Manager may by deed supplemental hereto issue Classes of Units under such terms and conditions as may be contained therein

5.14 Issue of Units Stapled to Other Securities

5.14.1 Subject to Clause 5.1 and the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may issue Units at any time to any person on the basis that such Units are to be Stapled to another Security or other Securities as Stapled Securities and on such terms and conditions as the Trustee-Manager may determine in its absolute discretion.

5.14.2 For the purposes of this Clause 5.14, the Trustee-Manager shall determine the proportion of the Issue Price, the Repurchase Price or buy-back price of the Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager for the purpose of issuing Units Stapled with any other Security or Securities.

5.14.3 For so long as the Stapled Group is Unlisted, the Trustee-Manager may determine from time to time the proportion of the Current Stapled Security Value which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager and any other part(y/ies) for the purpose of issuing Units Stapled with any other Security or Securities.

5.14.4 In the event that the Stapled Group is Listed, the Trustee-Manager may determine from time to time the proportion of the Market Price of the Stapled Security which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager for the purpose of issuing Units Stapled with any other Security or Securities. For this purpose "Market Price" shall mean the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Stapled Securities are Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day.

6. REPURCHASE AND REDEMPTION OF UNITS BY THE TRUSTEE-MANAGER

6.1 Repurchase and Redemption Restrictions when the Trust is Unlisted

When the Trust is Unlisted, the Trustee-Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Relevant Laws, Regulations and Guidelines and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Trustee-Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted, and upon acceptance of such an offer, the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 6.3.

6.2 Repurchase and Redemption Restrictions when the Trust is Listed

The Trustee-Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Trustee-Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Trustee-Manager shall do so at the Repurchase Price calculated in accordance

with Clause 6.3.2. In the event the Trustee-Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines or any applicable laws and regulations and must have obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the "**Unit Buy-back Mandate**"). The Trustee-Manager may, subject to the Relevant Laws, Regulations and Guidelines or any applicable laws and regulations, suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11.

6.3 Repurchase Price

For the purposes of Clauses 6.1 and 6.2, the Repurchase Price shall be:

6.3.1 in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Trustee-Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Trustee-Manager's offer to repurchase or cause the redemption of Units is accepted; and

6.3.2 in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Trustee-Manager's offer to repurchase or redeem Units is made), unless prohibited by the Relevant Laws, Regulations and Guidelines, the Current Unit Value of the relevant Units on the day the request is accepted by the Trustee-Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the Trustee-Manager for its own benefit and the adjustment shall be retained as part of the Trust Property. The Trustee-Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Trustee-Manager from them respectively. The bases on which the Trustee-Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Trustee-Manager. The Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.11.

6.4 Authority and Limits on the Purchase of Units

6.4.1 Maximum Limit

The total number of Units which may be purchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

6.4.2 Duration of Authority

Purchases of Units may be made during the Relevant Period. For the purpose of this Clause 6.4.2, "**Relevant Period**" is the period commencing from the date of the general meeting at which a Unit Buyback Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on the earlier of:

(i) the date on which the next annual general meeting of Holders is held;

(ii) the date by which the next annual general meeting of Holders is required by law or the provisions of this Deed to be held; or

(iii) the date on which the purchases of Units by the Trustee-Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated.

For the avoidance of doubt, the authority conferred on the Trustee-Manager by the Unit Buy-back Mandate to purchase Units may be renewed at the next annual general meeting of Holders.

6.5 Solvency Statement

The Trustee-Manager may repurchase Units out of the assets of the Trust by paying a sum sufficient to satisfy the Repurchase Price, provided that the Board makes a written statement, in accordance with a resolution of the Board and signed by not less than two directors, that the Board is satisfied on reasonable grounds that, immediately after the repurchase of Units, the Trustee-Manager will be able to fulfil from the Trust Property, the liabilities of the Trust as these liabilities fall due, in accordance with the requirements of the Relevant Laws, Regulations and Guidelines.

6.6 Repurchased Units are Cancelled

Units which are repurchased shall be cancelled and shall not thereafter be reissued or dealt with in any manner subject to the requirements of the Relevant Laws, Regulations and Guidelines. For the avoidance of doubt, this Clause 6.6 shall not limit or restrict the right of the Trustee-Manager to cause the creation and/or issue of further or other Units. On the cancellation of any Unit under this Clause 6.6, the rights and privileges attached to that Unit shall expire.

6.7 Source of Funds

The Trustee-Manager may not repurchase Units of the Trust for a consideration other than in cash. The Trustee-Manager may utilise the Trust's internal sources of funds or external borrowings or a combination of both to finance the Trustee-Manager's repurchase of Units on behalf of the Trust pursuant to any Unit Buy-back Mandate, subject always to the requirements of the Relevant Laws, Regulations and Guidelines.

6.8 Manner of Purchase

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Trustee-Manager may:

6.8.1 purchase or acquire Units on a securities exchange ("**Market Purchase**"); or

6.8.2 make an offer to purchase Units, otherwise than on a securities exchange and by way of an "off-market" acquisition of the Units on an "equal access scheme" (as defined below) ("**Off-market Purchase**"),

and to deal with any of the Units so purchased or acquired in accordance with this Clause 6.

For the purposes of this Clause 6, an "**equal access scheme**" is a scheme which satisfies the following criteria:

(i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:

(a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;

(b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and

(c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

6.9 Procedure for Purchase of Units via a Market Purchase

6.9.1 For so long as the Trust is Listed, where Units are purchased via a Market Purchase, the notice of general meeting of Holders specifying the intention to propose a resolution to authorise a Market Purchase shall:

(i) specify the maximum number of Units or the maximum percentage of Units of the Trust authorised to be acquired or purchased;

(ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);

(iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next annual general meeting is, or is required by law to be, held, whichever is earlier; and

(iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

6.9.2 The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 6.9.1(i) to 6.9.1(iii).

6.9.3 The authority for a Market Purchase may, from time to time, be varied or revoked by Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

(i) specifying a particular sum; or

(ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

6.10 Procedure for Purchase of Units via an Off-Market Purchase

6.10.1 For so long as the Trust is Listed, where Units are purchased via an Off-Market Purchase, the notice of general meeting of Holders specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

(i) specify the maximum number of Units or the maximum percentage of Units of the Trust authorised to be acquired or purchased;

(ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);

(iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and

(iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

6.10.2 The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 6.10.1(i) to 6.10.1(iii).

6.10.3 The authority for an Off-Market Purchase may, from time to time, be varied or revoked by Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

(i) specifying a particular sum; or

(ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

6.10.4 For so long as the Trust is Listed, in the event that the Trustee-Manager decides to make any offer to purchase Units via an Off-Market Purchase, the Trustee-Manager will send an offer notice to Holders in the event of any such offer to purchase Units. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the purchase of their Units together with the certificate or certificates (if any) representing such Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Trustee-Manager will purchase, in accordance with this Clause 6 and the Relevant Laws, Regulations and Guidelines, such number of Units in relation to which the Holder is registered in the Depository Register as are required by the Holder to be purchased.

6.11 Amendments to Register

Where all the Units or a specified number of Units held by a Holder have been purchased by the Trustee-Manager, the Trustee-Manager shall amend, or procure the amendment of the Register, in respect of such number of Units.

6.12 Reporting Requirements

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Trustee-Manager shall:

6.12.1 notify the SGX-ST (in the form of an announcement on the SGXNET) of all purchases of Units in accordance with the Listing Rules and in such form and shall include such details as the SGX-ST may prescribe; and

6.12.2 make an announcement on the SGXNET at the same time it notifies the SGX-ST of any purchases of Units pursuant to any Unit Buy-back Mandate, that the directors of the Trustee-Manager are satisfied on reasonable grounds that, immediately after the purchase of Units, the Trustee-Manager will be able to fulfil, from the Trust Property, the liabilities of the Trust as these liabilities fall due, in accordance with the Relevant Laws, Regulations and Guidelines.

(C) STAPLING DEED

3. PROVISIONS AS TO STAPLED SECURITIES, HOLDERS AND STATEMENTS OF HOLDINGS

3.1 Securities to be Stapled

3.1.1 On and from the Stapling Commencement Date:

(i) each VI-BT Unit and each VI-REIT Unit must be Stapled to one another;

(ii) the REIT Manager must not issue a VI-REIT Unit unless a VI-BT Unit is issued by the Trustee-Manager at the same time and to the same person;

(iii) the Trustee-Manager must not issue a VI-BT Unit unless a VI-REIT Unit is issued by the REIT Manager at the same time and to the same person;

(iv) the REIT Manager must not issue any right or option to acquire a VI-REIT Unit unless the Trustee-Manager issues a corresponding right or option to acquire a VI-BT Unit;

(v) the Trustee-Manager must not issue any right or option to acquire a VI-BT Unit unless the REIT Manager issues a corresponding right or option to acquire a VI-REIT Unit;

(vi) the REIT Manager may not without prior consent of the Trustee-Manager issue any VI-REIT Unit of any class other than the Class existing at the Stapling Commencement Date or any right or option to acquire any such VI-REIT Unit;

(vii) the Trustee-Manager may not without prior consent of the REIT Manager issue any VI-BT Unit of any class other than the Class existing at the Stapling Commencement Date or any right or option to acquire any such VI-BT Unit; and

(viii) (for so long as the Stapled Securities are stapled and as the REIT Manager shall not issue a VI-REIT Unit unless a VI-BT Unit is issued, or as the case

may be, the Trustee-Manager shall not issue a VI-BT Unit unless a VI-REIT Unit is issued) the REIT Manager in consideration of the Trustee-Manager issuing VI-BT Units to the REIT Manager as payment of the fees of the REIT Manager, shall issue VI-REIT Units to the Trustee-Manager as payment of the fees of the Trustee-Manager.

Each VI-BT Unit must be stapled to a VI-REIT Unit immediately upon the issue of the VI-BT Unit or the VI-REIT Unit as the case may be.

3.2 Dealings in Securities

3.2.1 On and from the Stapling Commencement Date, the REIT Manager and the Trustee-Manager must not:

(i) do any act, matter or thing (including registering any issue or transfer of any Stapled Security or Unit); or

(ii) refrain from doing any act, matter or thing,

if to do so or refrain from doing so (as the case may be) would result directly or indirectly in any Unit no longer being Stapled as a Stapled Security, other than in accordance with Clause 11.

3.2.2 On and from the Stapling Commencement Date, the REIT Manager must not:

(i) offer any VI-REIT Units for issue, subscription or sale unless an offer is made by the Trustee-Manager at the same time and to the same person for the same number of VI-BT Units for issue, subscription or sale;

(ii) offer any VI-REIT Units for issue, subscription or sale unless the terms of that offer require each offeree to subscribe for or buy (as the case may be) the same number of VI-BT Units;

(iii) issue or sell any VI-REIT Units to any person unless the same number of VI-BT Units are also issued or sold (as the case may be) by the Trustee-Manager to the same person at the same time;

(iv) consolidate, sub-divide, cancel, buy-back, redeem or repurchase any VI-REIT Units unless at the same time there is a corresponding consolidation, sub-division, cancellation, buy-back or redemption or repurchase by the Trustee-Manager of VI-BT Units;

(v) register any transfer of VI-REIT Units to any person unless the transfer of the same number of VI-BT Units to the same person is also registered at the same time;

(vi) accept an application for a VI-REIT Unit if the applicant does not at the same time apply for a VI-BT Unit or if a VI-BT Unit will not be issued to the applicant at the same time as the issue of the VI-REIT Unit to the applicant;

(vii) permit a re-investment by a Holder in a VI-REIT Unit unless at the same time the Holder acquires a VI-BT Unit. The REIT Manager and the

Trustee-Manager may make provisions governing the amount of the re-invested distributions to be used to subscribe for each VI-REIT Unit or VI-BT Unit comprising the Stapled Security having regard to the issue price of the VI-REIT Unit or VI-BT Unit; and

(viii) perform any restructure or reorganisation of VI-REIT Unit, including but not limited to the consolidation or subdivision of VI-REIT Unit or other similar or analogous corporate action in respect of VI-REIT or VI-REIT Units unless the Trustee-Manager takes the corresponding action in relation to VI-BT or VI-BT Units at the same time.

3.2.3 On and from the Stapling Commencement Date, the Trustee-Manager must not:

(i) offer any VI-BT Units for issue, subscription or sale unless an offer is made by the REIT Manager at the same time and to the same person for the same number of VI-REIT Units for issue, subscription or sale;

(ii) offer any VI-BT Units for issue, subscription or sale unless the terms of that offer require each offeree to subscribe for or buy (as the case may be) the same number of VI-REIT Units;

(iii) issue or sell any VI-BT Units to any person unless the same number of VI-REIT Units are also issued or sold (as the case may be) by the REIT Manager to the same person at the same time;

(iv) consolidate, sub-divide, cancel, buy-back, redeem or repurchase any VI-BT Units unless at the same time there is a corresponding consolidation, sub-division, cancellation, buy-back or redemption or repurchase by the REIT Manager of VI-REIT Units;

(v) register any transfer of VI-BT Units to any person unless the transfer of the same number of VI-REIT Units to the same person is also registered at the same time;

(vi) accept an application for a VI-BT Unit if the applicant does not at the same time apply for a VI-REIT Unit or if a VI-REIT Unit will not be issued to the applicant at the same time as the issue of the VI-BT Unit to the applicant;

(vii) permit a re-investment by a Holder in a VI-BT Unit unless at the same time the Holder acquires a VI-REIT Unit. The REIT Manager and the Trustee-Manager may make provisions governing the amount of the re-invested distributions to be used to subscribe for each VI-REIT Unit or VI-BT Unit comprising the Stapled Security having regard to the issue price of the VI-REIT Unit or VI-BT Unit; and

(viii) perform any restructure or reorganisation of VI-BT Unit, including but not limited to the consolidation or subdivision of VI-BT Unit or other similar or analogous corporate action in respect of VI-BT or VI-BT Units unless the REIT Manager takes the corresponding action in relation to VI-REIT or VI-REIT Units at the same time.

3.2.4 The REIT Trustee, the REIT Manager and the Trustee-Manager are not obliged to effect a consolidation, sub-division, buy-back, cancellation, redemption, transfer or issue or other corporate action in a manner inconsistent with any constitutional, contractual or fiduciary obligation or law by which they are bound, or if they do not have any necessary consent or approval.

3.2.5 If a Unit is to be sold pursuant to forfeiture as a consequence of non-payment of a call, the party which issued the Unit will, to the maximum extent permitted by the Relevant Laws, Regulations and Guidelines and the Listing Rules, ensure that the other Unit to which it is Stapled is also sold so that the Unit is sold as part of a Stapled Security.

3.3 Quotation as Stapled Securities

Unless and until the Stapled Securities are Unstapled in accordance with this Deed, the REIT Manager and the Trustee-Manager must both use reasonable endeavours to ensure that each Stapled Security listed for quotation on SGX-ST continues to be so listed for quotation and quoted as a Stapled Security.

3.4 No Certificates

3.4.1 No certificate shall be issued to Holders by the REIT Manager, the REIT Trustee or the Trustee-Manager in respect of any Unit or Stapled Security (whether Listed or Unlisted) issued to Holders. For so long as Viva Industrial Trust is Listed on the SGX-ST, the REIT Manager, the REIT Trustee and the Trustee-Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the depository for the Stapled Securities, and all Stapled Securities issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

3.4.2 For so long as Viva Industrial Trust is Listed on the SGX-ST, the REIT Manager and the Trustee-Manager, or the agent appointed by them, shall issue to the Depository not more than 10 Business Days after the issue of Stapled Securities a confirmation note confirming the date of issue and the number of Stapled Securities so issued and, if applicable, also stating that the Stapled Securities are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such a confirmation note shall be deemed to be a certificate evidencing title to the Stapled Securities issued.

3.5 Form of Statements of Holdings

3.5.1 In the event Viva Industrial Trust is or becomes Unlisted, the REIT Manager and the Trustee-Manager or their appointed agents shall issue to each Holder not more than one month after the allotment of Stapled Securities to such Holder a confirmation note confirming such allotment. The REIT Manager and the Trustee-Manager or their appointed agents shall, for so long as Viva Industrial Trust is Unlisted, jointly issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager) a statement of holdings (the "**Statement of Holdings**"). A Statement of Holdings shall be dated and shall specify the number of Stapled

Securities held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Stapled Securities and shall be in such form as may from time to time be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager.

3.5.2 For so long as Viva Industrial Trust is Listed on the SGX-ST and the Stapled Securities are registered in the name of the Depository, the REIT Manager and the Trustee-Manager shall reasonably procure that the Depository shall, at such intervals, and as may be provided for in the Depository's terms and conditions for operation of Securities Accounts, issue to each Depositor such contract statements, confirmation notes, statements of accounts balances, and at such intervals, as may be provided for in the Depository's terms and conditions for operation of Securities Accounts.

3.6 Sub-division and Consolidation of Stapled Securities

3.6.1 The REIT Manager (with the approval of the REIT Trustee) and the Trustee-Manager may, at any time and on giving prior written notice (such notice period to be determined by the REIT Manager and the Trustee-Manager in their absolute discretion) to each Holder or (as the case may be) to each Depositor by the REIT Manager or the REIT Trustee and/or Trustee-Manager delivering such notice in writing to such Holder or the Depository for onward delivery to the Depositors, determine that each Stapled Security shall be sub-divided into Stapled Securities or consolidated with other Stapled Securities and the Holders shall be bound accordingly.

3.6.2 The Register shall be altered accordingly to reflect the new number of Stapled Securities held by each Holder as a result of such sub-division or consolidation and where applicable, the REIT Trustee and/or the Trustee-Manager shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor's Securities Account to reflect the new number of Stapled Securities held by such Depositor as a result of such sub-division or consolidation.

3.7 Terms and Conditions of This Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder or (as the case may be) each Depositor and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder or (as the case may be) each Depositor to observe and be bound by all the provisions hereof and an authorisation of the REIT Trustee, the REIT Manager and the Trustee-Manager by each Holder or (as the case may be) each Depositor to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the REIT Trustee, the REIT Manager or (as the case may be) the Trustee-Manager to do.

3.8 Availability of This Deed

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered offices of the REIT Manager and the Trustee-Manager at all times during

usual Business Hours and shall be supplied by the REIT Manager or (as the case may be) the Trustee-Manager to any person in accordance with any Relevant Laws, Regulations and Guidelines on application at a charge not exceeding S$10 per copy document.

3.9 Stapled Securities to be Held Free from Equities

A Holder entered in the Register as the registered holder of Stapled Securities or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Stapled Securities registered to him, shall be the only person recognised by the REIT Trustee, the REIT Manager and/or the Trustee-Manager as having any right, title or interest in or to the Stapled Securities registered in his name and the REIT Trustee, the REIT Manager and/or the Trustee-Manager may recognise such Holder or (as the case may be) such Depositor as the absolute owner thereof and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by any court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Stapled Security. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

3.10 Restrictions on Directions

The Holders shall not give any directions to the REIT Trustee, the REIT Manager or the Trustee-Manager (whether at a meeting of VI-REIT Unitholders or VI-BT Unitholders duly convened or otherwise) if it would require the REIT Trustee, the REIT Manager or the Trustee-Manager to do or omit from doing anything which may result in:

3.10.1 VI-REIT, VI-BT or Viva Industrial Trust ceasing to comply with the Relevant Laws, Regulations and Guidelines or any other applicable laws and regulations; or

3.10.2 the exercise of any discretion expressly conferred on the REIT Trustee, the REIT Manager and/or the Trustee-Manager by this Deed or the determination of any matter which under this Deed requires the agreement of REIT Trustee, the REIT Manager and/or the Trustee-Manager, PROVIDED THAT nothing in this Clause 3.10.2 shall limit the right of a Holder or (as the case may be) a Depositor to require the due administration of VI-REIT, VI-BT or Viva Industrial Trust in accordance with this Deed.

4. ISSUE OF STAPLED SECURITIES

4.1 General

4.1.1 Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the REIT Manager and the Trustee-Manager shall have the joint exclusive right to issue Stapled Securities (whether on an initial issue of Stapled Securities, a rights issue, an issue of new Stapled Securities otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of

Stapled Securities pursuant to a conversion of any Securities) and any Stapled Securities may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the REIT Manager and the Trustee-Manager may think fit.

4.1.2 The REIT Manager and the Trustee-Manager shall not be bound to accept an application for Stapled Securities so as to give rise to a holding of fewer than 1,000 Stapled Securities (or such other number of Stapled Securities as may be determined by the REIT Manager and the Trustee-Manager) and for so long as Viva Industrial Trust is Listed, the REIT Manager and the Trustee-Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Stapled Security shall be issued (whether on an initial issue of Stapled Securities, a rights issue, an issue of new Stapled Securities otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Stapled Securities pursuant to a conversion of any Securities) and if any fractions of a Stapled Security arise, the REIT Manager and the Trustee-Manager shall, in respect of each Holder's entitlement to Stapled Securities, truncate but not round off to the nearest whole Stapled Security and any balance arising from such truncation shall be retained as part of the Deposited Property of VI-REIT and/or VI-BT.

4.1.3 Issues of Stapled Securities shall only be made on a Business Day unless and to the extent that the REIT Manager (with the prior consent of the REIT Trustee) and the Trustee-Manager otherwise prescribe. Issues of Stapled Securities for cash shall be made at a price hereinafter prescribed.

4.1.4 The REIT Manager and the Trustee-Manager may by deed supplemental hereto entered into with the REIT Trustee issue Classes of Stapled Securities under such terms and conditions as may be contained therein.

4.1.5 The Stapled Securities may be Listed on the SGX-ST pursuant to Clause 10 and, if so Listed, the Stapled Securities shall be traded on the SGX-ST and settled through the Depository. Stapled Securities already in issue may be transferred or otherwise dealt with through Securities Accounts into which Stapled Securities are credited in accordance with Clause 9.7.

4.1.6 For so long as Viva Industrial Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities provided that the REIT Manager and the Trustee-Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, or any other Relevant Laws, Regulations and Guidelines in, among others, determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Stapled Security issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the REIT Manager and the Trustee-Manager is at a discount to the Market Price (as defined under Clause 4.3.1), the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, or any other Relevant Laws, Regulations and Guidelines.

4.1.7 If the Stapled Securities are Listed on the SGX-ST or any other Recognised Stock Exchange, then the REIT Manager and the Trustee-Manager shall not thereafter issue any further Stapled Securities in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules or the listing rules of the relevant Recognised Stock Exchange, except where such Stapled Securities are issued in such circumstances as permitted by the Listing Rules or the listing rules of the relevant Recognised Stock Exchange or otherwise as required or permitted by the SGX-ST or the relevant Recognised Stock Exchange.

4.2 Issue Price of Stapled Securities Prior to the Listing Date and the Initial Offering Price

4.2.1 Prior to the Listing Date, the REIT Manager and the Trustee-Manager may, subject to Clause 4.1 and any Relevant Laws, Regulations and Guidelines, issue Stapled Securities at any time to any person at any issue price per Stapled Security ("**Issue Price**") and on such terms and conditions as the REIT Manager and the Trustee-Manager may determine in their absolute discretion.

4.2.2 The issue of Stapled Securities for the purpose of an initial public offering of Stapled Securities shall be at an Issue Price to be determined by the REIT Manager and the Trustee-Manager, or within such range to be determined by the REIT Manager and the Trustee-Manager, on or before the Listing Date for such Stapled Securities, PROVIDED THAT the REIT Manager and the Trustee-Manager may delegate the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the REIT Manager and the Trustee-Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as they may agree. The manner of and amount payable and any applicable refund on an application for Stapled Securities during the initial public offering will be stated in the relevant Prospectus. Any such offer of Stapled Securities for the purpose of an initial public offering may remain open for a period as may be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager, subject to any Relevant Laws, Rules and Regulations.

4.2.3 Subject to Clause 4.2.2, the REIT Manager and the Trustee-Manager may extend a discount to the Issue Price per Stapled Security under an initial public offering of Stapled Securities, to any applicant who successfully applies to purchase more than such number of Stapled Securities (as determined by the REIT Manager and the Trustee-Manager in their absolute discretion) in a single application, subject to compliance with any applicable law or regulation and the Listing Rules.

4.2.4 The REIT Manager and the Trustee-Manager may issue Stapled Securities at the Issue Price determined in accordance with Clause 4.2.2 to the vendor of any Authorised Investments to be purchased by Viva Industrial Trust in conjunction with an initial public offering of Stapled Securities, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by Viva Industrial Trust for such Authorised Investments.

4.3 Issue Price of Stapled Securities when Viva Industrial Trust is Listed

4.3.1 Subject to Clauses 4.3.2 and 4.3.3 and any Relevant Laws, Regulations and Guidelines, for so long as Viva Industrial Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the VI-REIT Unitholders and the VI-BT Unitholders. For this purpose "**Market Price**" shall mean:

(i) the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which Viva Industrial Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or

(ii) if the REIT Manager and the Trustee-Manager believe that the calculation in Clause 4.3.1(i) does not provide a fair reflection of the market price of a Stapled Security, an amount as determined between the REIT Manager, the Trustee-Manager and the REIT Trustee (after consultation with a Stockbroker approved by the REIT Trustee), as being the fair market price of a Stapled Security.

4.3.2 Subject to Clause 4.3.3 and any Relevant Laws, Regulations and Guidelines, for so long as Viva Industrial Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities at an Issue Price other than calculated in accordance with Clause 4.3.1 without the prior approval of the Holders in a meeting of Holders in the following circumstances:

(i) the Issue Price for a rights issue on a pro-rata basis to all existing Holders or (as the case may be) Depositors;

(ii) the Issue Price of a Stapled Security issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders or (as the case may be) Depositors;

(iii) the Issue Price for any reinvestment of distribution arrangement;

(iv) the Issue Price for any Stapled Securities which are issued as full or partial consideration for the acquisition of an Authorised Investment by VI-REIT or VI-BT;

(v) the Issue Price for a conversion of instruments which may be convertible into Stapled Securities.

If the Issue Price determined by the REIT Manager and the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or the Relevant Laws, Regulations and Guidelines.

4.3.3 Where Stapled Securities are issued as full or partial consideration for the acquisition of an Authorised Investment by VI-REIT or VI-BT in conjunction with an issue of Stapled

Securities to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other authorised investments in conjunction with the said Authorised Investment, the REIT Manager and the Trustee-Manager shall have the discretion to determine that the Issue Price of a Stapled Security so issued as full or partial consideration shall be the same as the Issue Price for the Stapled Securities issued in conjunction to raise cash for the aforesaid purposes.

4.4 Issue Price of Stapled Securities where Viva Industrial Trust is Delisted

Where Viva Industrial Trust becomes Unlisted after the Listing Date, the REIT Manager and Trustee-Manager may issue Stapled Securities at an Issue Price equal to the Current Stapled Security Value on the date of the issue of the Stapled Securities plus, if so determined by the REIT Manager and Trustee-Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the REIT Manager and Trustee-Manager for their own benefit and the amount of the adjustment shall be retained as part of the Deposited Property of VI-REIT and/or VI-BT as agreed between the REIT Manager and Trustee-Manager.

4.5 Stapled Securities Issued on Unpaid or Partly Paid Basis

4.5.1 Capital paid on Stapled Securities in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

4.5.2 In the event that the REIT Manager and the Trustee-Manager issue Stapled Securities on an unpaid or partly paid basis to any person, the provisions of Clauses 4.5.3 and 4.5.4 shall apply.

4.5.3 Calls on Stapled Securities

(i) The REIT Manager and the Trustee-Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Stapled Securities but subject always to the terms of issue of such Stapled Securities. A call may be made payable by instalments.

(ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to Viva Industrial Trust at the time or times and place so specified the amount called on his Stapled Securities. The Joint Holders of a Stapled Security shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the REIT Manager and the Trustee-Manager may determine.

(iii) If a sum called in respect of a Stapled Security is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the REIT Manager and the Trustee-Manager may determine but the REIT Manager and the Trustee-Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

(iv) Any sum which by the terms of issue of a Stapled Security becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to

be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(v) The REIT Manager and the Trustee-Manager may on the issue of Stapled Securities differentiate between the Holders as to the amount of calls to be paid and the times of payment.

(vi) The REIT Manager and the Trustee-Manager may if they think fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Stapled Securities held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Stapled Securities in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) Viva Industrial Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the REIT Manager and the Trustee-Manager may agree. Capital paid on Stapled Securities in advance of calls shall not, while carrying interest, confer a right to participate in profits.

4.5.4 Forfeiture and Lien

(i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the REIT Manager and the Trustee-Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by Viva Industrial Trust by reason of such non-payment.

(ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Stapled Securities on which the call has been made will be liable to be forfeited.

(iii) If the requirements of any such notice as aforesaid are not complied with, any Stapled Security in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the REIT Manager and the Trustee-Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Stapled Security and not actually paid before forfeiture. The REIT Manager and the Trustee-Manager may accept a surrender of any Stapled Security liable to be forfeited hereunder.

(iv) A Stapled Security so forfeited shall become the property of Viva Industrial Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the REIT Manager and the Trustee-Manager shall think fit and at any time before a sale, re-allotment or disposition the

forfeiture may be cancelled on such terms as the REIT Manager and the Trustee-Manager think fit. The REIT Manager and the Trustee-Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Stapled Security to any such other person as aforesaid.

(v) A Holder or Depositor whose Stapled Securities have been forfeited or surrendered shall cease to be a holder in respect of the Stapled Securities but shall notwithstanding the forfeiture or surrender remain liable to pay to Viva Industrial Trust all moneys which at the date of forfeiture or surrender were presently payable by him to Viva Industrial Trust in respect of the Stapled Securities with interest thereon at 8.0% per annum (or such lower rate as the REIT Manager and the Trustee-Manager may determine) from the date of forfeiture or surrender until payment and the REIT Manager and the Trustee-Manager may at their absolute discretion enforce payment without any allowance for the value of the Stapled Securities at that time of forfeiture or surrender or waive payment in whole or in part.

(vi) Viva Industrial Trust shall have a first and paramount lien on every Stapled Security (not being a fully paid Stapled Security) and distributions from time to time declared in respect of such Stapled Securities provided that such lien shall be restricted to unpaid calls and instalments upon the specific Stapled Securities in respect of which such moneys are due and unpaid, and to such amounts as Viva Industrial Trust may be called upon by law to pay in respect of the Stapled Securities of the holder or deceased holder. The REIT Manager and the Trustee-Manager may waive any lien which has arisen and may resolve that any Stapled Security shall for some limited period be exempt wholly or partially from the provisions of this Clause 4.5.4.

(vii) Viva Industrial Trust may sell in such manner as the REIT Manager and the Trustee-Manager think fit any Stapled Security on which Viva Industrial Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Stapled Security or the person entitled thereto by reason of his death or bankruptcy.

(viii) The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Stapled Securities at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the REIT Manager and the Trustee-Manager may authorise some person to transfer or effect the transfer of the Stapled Securities sold to the purchaser.

(ix) A statutory declaration in writing that the declarant is a director or secretary of the REIT Manager or the Trustee-Manager and that a Stapled Security has been duly forfeited or sold to satisfy a lien of Viva Industrial Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Stapled Security. Such declaration and the receipt of Viva Industrial Trust for the consideration (if any) given for the Stapled Security on the sale, re-allotment or disposal thereof together (where the same be

required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Stapled Security and the Stapled Security shall be registered in the name of the person to whom the Stapled Security is sold, re-allotted or disposed of or, where such person is a Depositor, the REIT Manager and the Trustee-Manager shall procure that his name be entered in the Depository Register in respect of the Stapled Security so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Stapled Security be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Stapled Security.

4.6 Stapled Securities Issued to Persons Resident Outside Singapore

4.6.1 If a Stapled Security is to be issued to a person resident outside Singapore, the REIT Manager and the Trustee-Manager shall be entitled to charge for their own accounts an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.

4.6.2 In relation to any rights issue or (as the case may be) any preferential offering, the REIT Manager and the Trustee-Manager may in their absolute discretion elect not to extend an offer of Stapled Securities under the rights issue or preferential offering to those Holders or (as the case may be) those Depositors, whose addresses are outside Singapore. In the case of a rights issue, the provisional allocations of Stapled Securities of such Holders or Depositors may be offered for sale by the REIT Manager and the Trustee-Manager (as the nominee and authorised agent of each such relevant Holder or Depositor) in such manner and at such price as the REIT Manager and the Trustee-Manager may determine. Where necessary, the REIT Trustee and the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders or Depositors PROVIDED THAT, where the proceeds payable to any single Holder or Depositor is less than S$10, the REIT Manager and the Trustee-Manager shall be entitled to retain such proceeds as part of the Deposited Property of VI-REIT and/or VI-BT.

4.7 Non-payment of Issue Price

Where payment of the Issue Price payable in respect of any Stapled Security agreed to be issued by the REIT Manager and the Trustee-Manager has not been received before the seventh Business Day after the date on which the Stapled Security was agreed to be issued (or such other date as the REIT Manager and the Trustee-Manager may agree) the agreement to issue such Stapled Security may, in the absolute discretion of the REIT Manager and the Trustee-Manager, at that time or any time thereafter be cancelled by the REIT Manager and the Trustee-Manager by giving notice to that effect and such Stapled Security shall thereupon be deemed never to have been issued or agreed to be issued and the applicant therefor shall have no right or claim in respect thereof against the REIT Manager and the Trustee-Manager or the REIT Trustee, PROVIDED THAT:

(i) no previous valuations of Viva Industrial Trust, VI-REIT or VI-BT shall be re-opened or invalidated as a result of the cancellation of such Stapled Securities;

(ii) the REIT Manager and the Trustee-Manager shall be entitled to charge the applicant (and retain for their own accounts) a cancellation fee of such amount as they may from time to time determine to represent the administrative costs involved in processing the application for such Stapled Securities from such applicant; and

(iii) the REIT Manager and the Trustee-Manager may, but shall not be bound to, require the applicant to pay to the REIT Manager and the Trustee-Manager for the account of Viva Industrial Trust in respect of each Stapled Security so cancelled the amount (if any) by which the Issue Price of each such Stapled Security exceeds the Repurchase Price which would have applied in relation to each such Stapled Security if the REIT Manager and the Trustee-Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

4.8 Updating of Securities Account

For so long as Viva Industrial Trust is Listed on the SGX-ST, the REIT Manager and the Trustee-Manager shall cause the Depository to effect the book entry of Stapled Securities issued to a Depositor into such Depositor's Securities Account no later than the tenth Business Day after the date on which those Stapled Securities are agreed to be issued by the REIT Manager and the Trustee-Manager.

4.9 Suspension of Issue

The REIT Manager, the REIT Trustee or the Trustee-Manager may, with the prior written approval of the other parties and subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while Viva Industrial Trust is Listed), suspend the issue of Stapled Securities during any of the following events:

4.9.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

4.9.2 the existence of any state of affairs which, in the opinion of the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee, might seriously prejudice the interests of the Holders as a whole or of the Deposited Property of VI-REIT and/or VI-BT;

4.9.3 any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;

4.9.4 any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee, be carried out at normal rates of exchange;

4.9.5 any period where the issuance of Stapled Securities is suspended pursuant to any order or direction issued by the Authority or other relevant regulatory authorities;

4.9.6 in relation to any general meeting of the VI-REIT Unitholders or the VI-BT Unitholders, any 48 hour period before such general meeting or any adjournment thereof; or

4.9.7 when the business operations of the REIT Manager, the Trustee-Manager or the REIT Trustee in relation to the operation of VI-REIT or (as the case may be) VI-BT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 4.9 shall exist upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee. In the event of any suspension while Viva Industrial Trust is Listed, the REIT Manager and the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

7. ALLOCATION OF ISSUE PRICE

7.1 Parties to Agree Price

7.1.1 The REIT Manager and the Trustee-Manager must agree from time to time the proportion of the Issue Price, the Repurchase Price or buy-back price of a Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of each Unit comprising the Stapled Security.

The allocation of this amount is to be determined by agreement between the REIT Manager and the Trustee-Manager before the issue, redemption or buy-back of the Stapled Security.

7.1.2 Where a right or option to acquire any Stapled Security is issued after the Stapling Commencement Date, the allocation of the issue price of the Stapled Security is to be determined by agreement between the REIT Manager and the Trustee-Manager prior to the issue of the right or option, at the absolute discretion of the REIT Manager and the Trustee-Manager and no VI-REIT Unitholder or VI-BT Unitholder shall have any right of action against either the REIT Manager or the Trustee-Manager in relation to such allocation.

7.1.3 The proportion determined under Clauses 7.1.1 and 7.1.2 must be consistent for each Stapled Security issued, redeemed or bought-back to or from each Holder at the same time.

7.2 Accountant to Resolve Dispute

7.2.1 If the REIT Manager and the Trustee-Manager are unable to reach agreement under Clause 7.1 within four Business Days after either party notifies the other that an agreement must be reached (or longer period if the parties agree in writing), either party may serve notice on the other ("**Referral Notice**") that it wishes to refer the matter to a suitably experienced independent accountant for determination.

7.2.2 The parties shall agree on the identity of the accountant to determine the matter. In the absence of such agreement within four Business Days of the Referral Notice, the matter shall be referred to an accountant appointed by the President of the Institute of Certified Public Accountants of Singapore.

7.2.3 The parties shall exchange written statements and supporting documentation four Business Days after the appointment of the accountant, and each side shall simultaneously send a copy of its written statement and supporting documentation to the accountant.

7.2.4 The accountant shall make his decision on the matter on the basis of the parties' written statements and supporting documentation only and there shall be no oral hearing. The accountant shall issue his decision in writing within four Business Days of receiving the parties' written statements and supporting documentation.

7.2.5 The accountant shall act as an expert and not as an arbitrator.

7.2.6 The accountant's decision is, in the absence of manifest error, final and binding on the parties.

7.2.7 The accountant's charges shall be borne equally by the parties.

8. REPURCHASE AND REDEMPTION OF STAPLED SECURITIES

8.1 Repurchase and Redemption Restrictions when Viva Industrial Trust is Unlisted

When Viva Industrial Trust is Unlisted, the REIT Manager and the Trustee-Manager may, but are not obliged to, repurchase or cause the redemption of Stapled Securities more than once a year in accordance with the Relevant Laws, Regulations and Guidelines and a Holder has no right to request for the repurchase or redemption of Stapled Securities more than once a year. Where the REIT Manager and the Trustee-Manager offer to repurchase or cause the redemption of Units issued when Viva Industrial Trust is Unlisted and, upon acceptance of such an offer, the REIT Manager and the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 8.3.1.

8.2 Repurchase and Redemption Restrictions when Viva Industrial Trust is Listed

The REIT Manager and the Trustee-Manager are not obliged to repurchase or cause the redemption of Stapled Securities so long as Viva Industrial Trust is Listed. Where the REIT Manager and the Trustee-Manager offer to repurchase or cause the redemption of Stapled Securities issued when Viva Industrial Trust is Listed and, upon acceptance of such an offer, the REIT Manager and the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 8.3.2. In the event the REIT Manager and the Trustee-Manager decide to repurchase or cause the redemption of Stapled Securities, such repurchase or redemption must comply with the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Relevant Laws, Regulations and Guidelines. The REIT Manager and the Trustee-Manager may, subject to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Relevant Laws, Regulations and Guidelines, suspend the repurchase or redemption of Stapled Securities for any period when the issue of Stapled Securities is suspended pursuant to Clause 4.9.

8.3 Repurchase Price

For the purposes of Clauses 8.1 and 8.2, the Repurchase Price shall be:

8.3.1 in respect of the repurchase or redemption of Stapled Securities prior to the Listing Date, an amount determined by the REIT Manager and the Trustee-Manager in their

absolute discretion. Such amount may be less than, equal to or more than the Current Stapled Security Value of the relevant Stapled Securities on the day the REIT Manager's and the Trustee-Manager's offer to repurchase or cause the redemption of Stapled Securities is accepted; and

8.3.2 in respect of the repurchase or redemption of Stapled Securities after the Listing Date (whether or not Viva Industrial Trust is Listed or has been Unlisted at the time the Manager's offer to repurchase or redeem Units is made), the Current Stapled Security Value of the relevant Stapled Securities on the day the request is accepted by the REIT Manager and the Trustee-Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the REIT Manager and the Trustee-Manager for their own benefit and the adjustment shall be retained as part of the Deposited Property of VI-REIT and/or VI-BT. The REIT Manager and the Trustee-Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Stapled Securities to be repurchased by the REIT Manager and the Trustee-Manager from them respectively. The bases on which the REIT Manager and the Trustee-Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Stapled Securities and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the REIT Manager and the Trustee-Manager. The REIT Manager and the Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Stapled Securities during any period when the issue of Stapled Securities is suspended pursuant to Clause 4.9.

9. REGISTRATION OF HOLDERS

9.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the REIT Trustee and the Trustee-Manager or their agents in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether Viva Industrial Trust is Listed or Unlisted. For so long as Viva Industrial Trust is Listed on the SGX-ST, the REIT Trustee and the Trustee-Manager shall record the Depository as the registered holder of all Stapled Securities in issue in the Register. In the event that Viva Industrial Trust is Unlisted, the REIT Trustee and the Trustee-Manager shall record each Holder as the registered holder of Stapled Securities held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the REIT Trustee and the Trustee-Manager or the persons appointed pursuant to Clause 9.15 as their agents to keep and maintain the Register receives the following relevant information:

9.1.1 the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);

9.1.2 the Class of Stapled Securities held by each Holder;

9.1.3 the number of Stapled Securities held by each Holder;

9.1.4 the date on which every such person entered in respect of the Stapled Securities standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;

9.1.5 the date on which any transfer is registered and the name and address of the transferee; and

9.1.6 where applicable, the date on which a Holder ceased to be a Holder of Stapled Securities.

Stapled Securities may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

The REIT Trustee and/or the Trustee-Manager shall have the power to rectify the Register if it appears to the REIT Trustee and/or the Trustee-Manager that any of the particulars recorded in the Register (including those particulars set out in this Clause 9.1) is wrongly entered or omitted.

9.2 Unlisted Stapled Securities

For so long as Viva Industrial Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the REIT Trustee, the REIT Manager and the Trustee-Manager, that the Register is incorrect.

9.3 Listed Stapled Securities

9.3.1 For so long as Viva Industrial Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by the Depository and each Holder (other than the Depository) and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the REIT Manager and the Trustee-Manager to the Depository or (as the case may be) the Holder under Clause 3.4, the entries in the Register shall prevail unless the REIT Trustee, the REIT Manager, the Trustee-Manager and the Depository mutually agree that the Register is incorrect.

9.3.2 For so long as Viva Industrial Trust is Listed on the SGX-ST, the REIT Manager, the REIT Trustee and the Trustee-Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Stapled Securities credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clauses 9.1.1 to 9.1.6 in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Stapled Securities are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Stapled Securities entered against such Depositor's name in the Depository Register and the REIT Trustee, the REIT Manager and the Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Stapled Securities.

9.3.3 The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the REIT Trustee, the REIT Manager, the Trustee-Manager and the Depository that the Depository Register is incorrect.

9.4 Change of Name or Address

For so long as Viva Industrial Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified by such Holder to the REIT Manager and the Trustee-Manager in writing or in such other manner as the REIT Manager and the Trustee-Manager may approve. If the REIT Manager and the Trustee-Manager is satisfied with the change in name or address and that all formalities as may be required by the REIT Manager and Trustee-Manager have been complied with, the REIT Manager and the Trustee-Manager shall alter or cause to be altered the Register accordingly.

9.5 Inspection of Register

Except when the Register is closed in accordance with Clause 9.6, the Register shall during Business Hours (subject to such reasonable restrictions as the REIT Trustee and Trustee-Manager may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder or (as the case may be) any Depositor, without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 9.5 may be satisfied by the production of legible evidence of the contents of the Register.

9.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the REIT Trustee and Trustee-Manager may from time to time determine PROVIDED THAT it shall not be closed for more than 30 days in any one year.

9.7 Transfer of Stapled Securities

9.7.1 For so long as Viva Industrial Trust is Listed on the SGX-ST, transfers of Stapled Securities between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Stapled Securities that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 9.2 to 9.6 shall not apply. The REIT Manager and the Trustee-Manager shall be entitled to appoint the Depository to facilitate transactions of Stapled Securities within the Depository and maintain records of Stapled Securities of Holders credited into Securities Accounts and to pay out of the Deposited Property of VI-REIT and/or VI-BT all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Stapled Securities on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Stapled Securities on the SGX-ST shall be deemed to be the agent

duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the REIT Manager and Trustee-Manager and/or the Depository shall be borne by the Holder or (as the case may be) the Depositor who is the transferor. There are no restrictions as to the number of Stapled Securities which may be transferred by a transferor to a transferee. For so long as Viva Industrial Trust is Listed, in the case of a transfer of Stapled Securities credited from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Stapled Securities transferred until the relevant Stapled Securities have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered on the Depository Register. If the Stapled Securities are Listed on any other Recognised Stock Exchange, the transfer of Stapled Securities shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Stapled Security other than a transfer made in accordance with this Clause 9.7.1, shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than aforesaid) be entered upon the Depository Register.

9.7.2 For so long as Viva Industrial Trust is Unlisted, every Holder shall be entitled to transfer any of the Units held by him or, in the case of Joint Holders, by any one of the Joint Holders as follows:

(i) a transfer of Stapled Securities shall be effected by an instrument of transfer in writing in common form (or in such other form as the REIT Trustee, the REIT Manager and the Trustee-Manager may from time to time approve);

(ii) every instrument of transfer relating to Stapled Securities must be signed by the transferor and the transferee and, subject to the provisions of Clause 9.7, the transferor shall be deemed to remain the Holder of the Stapled Securities transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed;

(iii) all charges in relation to such transfer as may be imposed by the REIT Trustee and the Trustee-Manager shall be borne by the Holder who is the transferor; and

(iv) there are no restrictions as to the number of Stapled Securities which may be transferred.

9.7.3 Every instrument of transfer referred to in Clause 9.7.2 must be duly stamped (if required by law) and left with the REIT Manager and the Trustee-Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines and by such evidence as the REIT Manager and Trustee-Manager may require to prove the title of the transferor or his right to transfer the Stapled Securities.

9.7.4 For so long as Viva Industrial Trust is Unlisted, the REIT Trustee, upon notification by the REIT Manager, shall alter or cause to be altered the Register to record the date of each transfer effected in respect of Stapled Securities and the name and address of the transferee with the Trustee-Manager.

9.7.5 For so long as Viva Industrial Trust is Unlisted, all instruments of transfer which are registered in respect of Stapled Securities shall be retained by the REIT Trustee and Trustee-Manager.

9.7.6 For so long as Viva Industrial Trust is Unlisted, a fee not exceeding S$10 (or such other amount as the REIT Trustee, the REIT Manager and Trustee-Manager may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the REIT Trustee and the Trustee-Manager for the registration of any transfer by an instrument of transfer of Stapled Securities. Such fee must, if required by the REIT Trustee and the Trustee-Manager, be paid before the registration of any transfer.

9.7.7 No transfer or purported transfer of a Stapled Security other than a transfer made in accordance with this Clause 9 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

9.7.8 For so long as Viva Industrial Trust is Unlisted and while Stapling applies, subject to the Relevant Laws, Regulations and Guidelines, the REIT Trustee and/or the Trustee-Manager must not register any transfer of Stapled Securities unless it is a single instrument of transfer of Stapled Securities and any provision of this Clause 9.7 referring to a transfer of Stapled Securities will be deemed to be a reference to such a transfer.

9.8 Death of Holders

The heirs, executors or administrators of a deceased Holder or Depositor of Stapled Securities (not being a Joint Holder or Joint Depositor) shall be the only persons recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities. In case of the death of any one of the Joint Holders or Joint Depositors of Stapled Securities and subject to any Relevant Laws, Regulations and Guidelines, the survivor(s), upon producing such evidence of death as the REIT Trustee, the REIT Manager and the Trustee-Manager may require, shall be the only person or persons recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having any title to or interest in the Stapled Securities PROVIDED THAT where the sole survivor is a Minor, the REIT Trustee, the REIT Manager and the Trustee-Manager shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, the Minor Joint Holder or Minor Joint Depositor or the Minor Joint Holder's or Minor Joint Depositor's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

9.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, be the only person recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities of such corporate Holder. The registration of a body corporate as a Depositor or a Joint Depositor shall be in accordance with the Depository's terms and conditions for the holding and operation of

Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the REIT Trustee, the REIT Manager and the Trustee-Manager of such succession, be the only person recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities.

9.10 Minors

A Minor shall not be registered as a sole Holder but may be registered as a Joint Holder PROVIDED THAT each of the other Joint Holders is a person who has attained the age of 18 years. In the event that one of the Joint Holders is a Minor, the REIT Trustee, the REIT Manager and the Trustee-Manager need only act on the instructions given by the other Joint Holder or Joint Holders who has or have attained the age of 18 years.

9.11 Transmission

9.11.1 Any person becoming entitled to a Stapled Security in consequence of the death or bankruptcy of any sole Holder or (as the case may be) Depositor or of being the survivor of Joint Holders or (as the case may be) Joint Depositors may (subject as hereinafter provided), upon producing such evidence as to his title as the REIT Trustee, the REIT Manager and the Trustee-Manager shall think sufficient, either be registered himself as Holder of such Stapled Security upon giving to the REIT Manager and the Trustee-Manager notice in writing of his desire to be recognised as Holder or transfer such Stapled Security to some other person. The Trustee-Manager, upon receipt of any such notice, and the REIT Trustee, upon the REIT Manager's notification, shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder or (as the case may be) the Depositor.

9.11.2 Any person becoming entitled to a Stapled Security in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Stapled Security but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meetings of VI-REIT Unitholders or VI-BT Unitholders until he shall have been registered as the Holder of such Stapled Security in the Register or (as the case may be) the Depositor of such Stapled Security in the Depository Register.

9.11.3 The REIT Manager and Trustee-Manager may retain any moneys payable in respect of any Stapled Security which any person is, under the provisions as to the transmission of Stapled Securities hereinbefore contained, entitled to be registered as the Holder of or which any person under those provisions is entitled to the transfer of until such person shall be registered as the Holder of such Stapled Security or shall duly transfer the same.

9.12 Payment of Fee

In respect of the registration of any probate, letters of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Stapled Security, the REIT Trustee and the Trustee-Manager may require from the person applying for such registration a fee of S$10 (or such other amount as the REIT Manager, the REIT Trustee and the Trustee-Manager may

from time to time agree) together with a sum sufficient in the opinion of the REIT Trustee and the Trustee-Manager to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the REIT Trustee and the Trustee-Manager, must be paid before the registration of any transfer.

9.13 Removal from Register

For so long as Viva Industrial Trust is Unlisted, upon the registration of a transfer of Stapled Securities in favour of the REIT Manager and the Trustee-Manager, the name of the Holder shall be removed from the Register in respect of such Stapled Securities but the names of the REIT Manager and the Trustee-Manager need not be entered in the Register as the Holder of such Stapled Securities. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Stapled Securities or as withdrawing the same from issue.

9.14 Registers must be consistent

The REIT Trustee and the Trustee-Manager must ensure that the VI-REIT and VI-BT registers of Holders, if kept separately, are entirely consistent with one another.

9.15 Registrar

The REIT Trustee may, with the approval of the REIT Manager, and the Trustee-Manager may at any time or from time to time appoint agents on their behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the REIT Trustee, the REIT Manager, the Trustee-Manager and the Registrar) shall be payable out of the Deposited Property of VI-REIT and/or VI-BT.

11. UNSTAPLING

11.1 Procedure for Unstapling

11.1.1 From the Stapling Commencement Date all Units will remain Stapled for so long as the Stapled Securities remain in issue, until:

(i) otherwise determined by Extraordinary Resolutions of the VI-REIT Unitholders and the VI-BT Unitholders, and with prior approval from the SGX-ST for such Unstapling;

(ii) Stapling becomes unlawful or prohibited by the Listing Rules and all other applicable laws, regulations and guidelines, and with notification provided to the SGX-ST prior to such Unstapling; or

(iii) the date on which either VI-REIT or (as the case may be) VI-BT is terminated or (as the case may be) wound up.

11.1.2 On and from the occurrence of an event described in Clause 11.1.1;

(i) the REIT Manager and the Trustee-Manager must procure that the VI-REIT Units and the VI-BT Units are Unstapled; and

(ii) except in relation to the ongoing obligations in Clause 5.1.4 and Clause 11.2 and covenants in Clauses 15, 16 and 17, this Deed ceases to be of any force or effect.

11.2 Consequences of Unstapling

If, as a consequence of Unstapling, the VI-REIT Units and the VI-BT Units are no longer Stapled, the REIT Trustee and the Trustee-Manager must promptly:

11.2.1 repay any outstanding amount under any loan (including any interest thereon) given to it by the other party prior to Unstapling, unless the other party otherwise agrees;

11.2.2 pay any outstanding amounts (including any interest thereon) which it is responsible for under Clause 6.1.2 (unless the other party otherwise agrees); and

11.2.3 obtain a release of the other party from any guarantee or other security given by that party to any person in respect of any liability of that party.

2. THE RIGHTS OF STAPLED SECURITYHOLDERS IN RESPECT OF DISTRIBUTIONS

(a) VI-REIT TRUST DEED

11. DISTRIBUTIONS

11.1 Distribution of Income

Subject to this Clause 11 and the Relevant Laws, Regulations and Guidelines, the Manager shall make regular distributions of all (or such lower percentage as determined by the Manager in its absolute discretion) of:

11.1.1 the Net Taxable Income (excluding gains from sale of Authorised Investments determined by the IRAS to be trading gains); and

11.1.2 the Net Tax-Exempt Income,

to Holders at quarterly, half-yearly or yearly intervals or at such other intervals as the Manager shall decide in its absolute discretion.

11.2 Manager to Collect

The Manager must collect and pay to the Trustee and the Trustee must receive all moneys, rights and property paid or receivable in respect of the Trust.

11.3 Determination of Income and Reserves

The Manager (acting after consulting the Auditors) is to determine whether any item is income in nature or capital in nature and the extent to which reserves or provisions need to be made. If the Manager determines any item to be capital, the Manager may apply it to any item in the balance sheet of the Trust including, without limitation, Holders' funds and Investments. This Clause 11.3 applies to distributions and to books of account.

11.4 Frequency of Distribution of Income

The Manager will endeavour to ensure that for each Financial Year there is at least one distribution and the last distribution covers the period up to the last day of the Financial Year. For each Distribution Period the Manager will calculate, and the Trustee will distribute, each Holder's Distribution Entitlement, in accordance with the provisions of this Clause 11.

11.5 Distribution Entitlement

11.5.1 "**Distribution Amount**" for a Distribution Period is to be determined in accordance with the following formula:

DA = NTI + I + E + C

Where:

"**DA**" is the Distribution Amount;

"**NTI**" (for any Distribution Period prior to the Listing Date) is the Net Taxable Income determined by the Manager; and

(for any Distribution Period after the Listing Date) is the Net Taxable Income for the Distribution Period determined by the Manager less an amount equal to so much of the Net Taxable Income for that Distribution Period directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee;

"**I**" (for any Distribution Period prior to the Listing Date) is so much of the amount (which may be a negative amount) by which Net Taxable Income as agreed between the Manager and the IRAS for any Distribution Period preceding the Distribution Period for which the Distribution Amount is being calculated, exceeds or is less than the Net Taxable Income for that preceding Distribution Period distributed pursuant to this Clause as NTI, but so that the amount is only taken into account in determining the Distribution Amount for the Distribution Period prior to the Listing Date and ending immediately after the agreement between the IRAS and the Manager is reached; and

(for any Distribution Period after the Listing Date) is so much of the amount (which may be a negative amount) by which Net Taxable Income as agreed between the Manager and the IRAS for any Financial Year preceding the Financial Year in which the Distribution Period occurs (less an amount equal to so much of the Net Taxable Income for that Distribution Period directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee), exceeds or is less than the Net Taxable Income for that preceding Financial Year distributed pursuant to this Clause 11 as NTI but so that the amount is only taken into account in determining the Distribution Amount for the Distribution Period ending immediately after the agreement between the IRAS and the Manager is reached;

"**E**" is any amount of Net Tax-Exempt Income which the Manager has determined is to be distributed; and

"**C**" is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account.

11.5.2 Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DE = DA \times \frac{UH}{UI}$$

where:

"**DE**" is the Distribution Entitlement;

"**DA**" is the Distribution Amount;

"**UH**" is the number of Units held by the Holder, at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distribution Amount; and

"**UI**" is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent the Holder is entitled to participate in the Distribution Amount.

11.6 Distribution of Entitlement

11.6.1 The Trustee must in respect of each Distribution Period pay to each Holder, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.

11.6.2 For the purpose of identifying the persons who are entitled to the Distribution Entitlement for a Distribution Period, the persons who are Holders on the Record Date for that Distribution Period have an absolute, vested and indefeasible interest in the Income of that Distribution Period.

11.6.3 The Manager and the Trustee must deduct from each Holder's Distribution Entitlement all amounts which:

(i) are necessary to avoid distributing a fraction of a cent;

(ii) the Manager determines not to be practical to distribute on a Distribution Date;

(iii) equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the portion of the income of the Trust attributable to such Holder or the amount of the distribution otherwise distributable to such Holder;

(iv) are required to be deducted by law, the Tax Ruling or this Deed; or

(v) are payable by the Holder to the Trustee or the Manager.

11.6.4 The Manager must direct the Trustee as to how any sum so retained is to be applied and/or paid.

11.7 Holder Notification

Each Holder must as and when required by the Manager, provide such information as to his place of residence for taxation purposes as the Manager may from time to time determine.

11.8 Composition of Distribution

Following the end of each Financial Year, the Manager must notify each Holder of:

11.8.1 the extent to which a distribution under this Clause 11 is composed of, and the types of, income and capital (which shall be determined by the Manager in its absolute discretion); and

11.8.2 any amounts deducted under Clauses 11.6.3(iii) and 11.6.3(iv).

11.9 Tax Declaration Forms and Tax Distribution Vouchers

11.9.1 The Manager shall, where necessary, in respect of each Distribution Period before the Distribution Amounts are paid out, send to each Holder, a tax declaration form for the purpose of each Holder declaring his tax status. The Manager and the Trustee may rely on any representation made by a Holder as to his tax status made on each relevant tax declaration form returned to the Manager (or its agent) or the Trustee to determine whether or not to deduct Tax from the Distribution Amount. If a Holder fails to make any such declaration in time for a distribution, the Manager and the Trustee shall proceed to deduct the appropriate amount of Tax from the Distribution Amount due to that Holder.

11.9.2 On a distribution having been made, the Trustee shall, where necessary, issue to each Holder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and the IRAS. In the case of any distribution made or on termination of the Trust, each tax distribution voucher shall show what proportion of the distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the portion of any tax payable by the Trustee on income and gains attributable to the Holders.

11.10 Categories and Sources of Income

11.10.1 For any category or source of income the Manager may keep separate accounts and allocate the income from any category or source to any Holder.

11.10.2 The Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.10.1 before the distribution of any other amount.

11.11 Distribution Policy

The Manager and the Trustee acknowledge that subject to Clause 11.1, the Trust's distribution policy on and after the Listing Date is to distribute as much of its income as practicable.

11.12 Distribution Reinvestment Arrangements

The Manager may advise Holders, from time to time in writing that Holders, may, on terms as permitted by the Property Funds Appendix, the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and all other Relevant Laws, Regulations and Guidelines and as specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Units are Listed and Clause 5.4 if the Units are Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders. In the event that the Trust is part of a Stapled Group, the terms of any distribution reinvestment arrangements shall be agreed between the Manager and the other entities in the Stapled Group or responsible entities of such entities in the Stapled Group.

11.13 Capitalisation of Undistributed Distribution Amount

Prior to the Listing Date, the Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.4 and in lieu of such distribution capitalise the undistributed Distribution Amount.

11.14 Distribution of Capital and Unrealised Gains

The Manager may with the consent of the Trustee (which consent shall not be unreasonably withheld) cause the distribution of an amount which represents:

11.14.1 part of the capital of the Trust and which the Manager reasonably determines to be in excess of the financial needs of the Trust; or

11.14.2 part or all of the unrealised gains (including any revaluation gains) due to the increase in the capital value of the Real Estate held by the Trust.

12. PLACE AND CONDITIONS OF PAYMENT

12.1 Place and Conditions of Payment

Any moneys payable by the Trustee to any Holder on the relevant Record Date under the provisions of this Deed shall be paid in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant (if applicable) sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named in the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee. Where the Trustee receives

the necessary authority in such form as the Trustee shall consider sufficient, the Trustee shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor. Any moneys payable by the Trustee to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Manager and the Trustee) and by the Trustee causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne out of the Deposited Property.

No amount payable to any Holder or Depositor shall bear interest.

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of or in connection therewith.

There may also be deducted from such payment the amount of any stamp duties or other governmental taxes or charges payable by the Manager or, as the case may be, the Trustee or for which either of them may be made liable in respect of such payment or any documents signed by it in connection therewith.

Neither the Manager or the Trustee shall be liable to account to a Holder for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors, for any amounts payable in respect of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities, shall be a good discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

12.4 Unclaimed Moneys

12.4.1 Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the "**Unclaimed Moneys Account**") from which the Trustee may, from time to time, make payments to a Holder claiming any such moneys.

12.4.2 Subject to Clause 26, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property for such payment.

12.4.3 Clauses 12.4.1 and 12.4.2 shall not apply to moneys payable to a Holder which remain unclaimed where the Trust is Listed and to the extent that such unclaimed moneys are held by the Depository. Subject to Clause 26, the Trustee shall cause such sums which are returned by the Depository to the Trustee (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such Holder) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property for such payment.

(b) VI-BT TRUST DEED

11. DISTRIBUTIONS

11.1 Distribution to Holders

Subject to this Clause 11 and the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may, at its sole discretion, make distributions to Holders at half-yearly intervals or at such other intervals as the Trustee-Manager shall decide in its absolute discretion. The Trustee-Manager shall further procure that any Special Purpose Vehicle owned by the Trust will similarly distribute all (or such lower percentage as determined by the Trustee-Manager in its absolute discretion) of their respective income and gains that are legally available for distribution.

11.2 Determination of Distributable Amount and Reserves

The Trustee-Manager (acting after consultation with the Auditors) may from time to time at its absolute discretion:

11.2.1 set aside out of the profits of the Trust and to carry to reserve such sums and make such provisions as it thinks fit;

11.2.2 determine the amount available for distribution; and

11.2.3 capitalise any sum for the time being standing in the reserves or otherwise available for distribution.

11.3 Frequency of Distribution of Income

For each Distribution Period the Trustee-Manager will calculate and distribute each Holder's Distribution Entitlement in accordance with the provisions of this Clause 11.

11.4 Distribution Entitlement

11.4.1 "**Distributable Amount**" for a Distribution Period is to be determined in accordance with the following formula:

DA = E + C

Where:

"**DA**" is the Distributable Amount;

"**E**" is any amount which the Trustee-Manager has determined is to be distributed after any reserve determined pursuant to Clause 11.2; and

"**C**" is any additional amount (including capital), which may be a negative amount, which the Trustee-Manager has determined is to be distributed after any reserve determined pursuant to Clause 11.2 or if thought fit by the Trustee-Manager, to be transferred to or from an undistributed income reserve account.

11.4.2 Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DE = DA \times \frac{UH}{UI}$$

where:

"**DE**" is the Distribution Entitlement;

"**DA**" is the Distributable Amount;

"**UH**" is the number of Units held by the Holder at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distributable Amount; and

"**UI**" is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent the Holder is entitled to participate in the Distributable Amount.

11.5 Distribution of Entitlement

11.5.1 Upon declaration by the Trustee-Manager of a distribution, each Holder shall be entitled to receive and the Trustee-Manager shall pay, the Holder's Distribution Entitlement on or before the Distribution Date for the Distribution Period.

11.5.2 The persons who are Holders on the Record Date for a Distribution Period are entitled to their respective Distribution Entitlements for that Distribution Period.

11.5.3 The Trustee-Manager may deduct from each Holder's Distribution Entitlement all amounts which:

(i) are necessary to avoid distributing a fraction of a cent;

(ii) the Trustee-Manager determines not to be practical to distribute on a Distribution Date;

(iii) equal any amount of Tax which has been paid or which the Trustee-Manager determines is or may be payable by the Trustee-Manager in respect of the portion of the income of the Trust attributable to such Holder, or the amount of the distribution otherwise distributable to such Holder;

(iv) are required to be deducted by law, the Tax Ruling or this Deed; or

(v) are payable by the Holder to the Trustee-Manager.

11.5.4 The Trustee-Manager may in its absolute discretion determine how any sum so retained is to be applied and/or paid.

11.6 Holder Notification

Each Holder must as and when required by the Trustee-Manager, provide such information as to his place of residence or any other information relevant for taxation purposes as the Trustee-Manager may from time to time determine.

11.7 Categories and Sources of Income

11.7.1 For any category or source of income the Trustee-Manager may keep separate accounts and allocate the income from any category or source to any Holder.

11.7.2 The Trustee-Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.7.1 before the distribution of any other amount.

11.8 Distribution Policy

The Trustee-Manager acknowledges that subject to Clause 11.1, the Trust's distribution policy on and after the Listing Date is to distribute as much of its income as practicable.

11.9 Distribution Reinvestment Arrangements

Subject to and in accordance with Relevant Laws, Regulations and Guidelines, the Trustee-Manager may advise Holders from time to time in writing that Holders may, on terms specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units subject to Clause 5.1 and PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Trust is Listed and Clause 5.2 or 5.4 if the Trust is Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Trustee-Manager shall be entitled to amend the terms of

any such distribution reinvestment arrangements from time to time by notice in writing to Holders. In the event that the Trust is part of a Stapled Group, the terms of any distribution reinvestment arrangements shall be agreed between the Trustee-Manager and the other entities in the Stapled Group or responsible entities of such entities in the Stapled Group.

11.10 Capitalisation of Undistributed Distributable Amount

Prior to the Listing Date, the Trustee-Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.3 and in lieu of such distribution capitalise the undistributed Distributable Amount.

11.11 Distribution of Capital and Unrealised Gains

The Trustee-Manager may at its discretion cause the distribution of an amount which represents:

11.11.1 part of the capital of the Trust and which the Trustee-Manager reasonably determines to be in excess of the financial needs of the Trust; or

11.11.2 part or all of the unrealised gains (including any revaluation gains).

12. PLACE AND CONDITIONS OF PAYMENT

12.1 Place and Conditions of Payment

12.1.1 Any moneys payable by the Trustee-Manager to any Holder on the relevant Record Date under the provisions of this Deed shall be paid, in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named on the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee-Manager. Where the Trustee-Manager receives the necessary authority in such form as the Trustee-Manager shall consider sufficient, it shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.

12.1.2 Any moneys payable by the Trustee-Manager to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Trustee-Manager) and the Trustee-Manager causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Trustee-Manager and the Depository. Payment of the moneys by the

Trustee-Manager to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee-Manager. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed may be paid out of the Trust Property.

12.1.3 No amount payable to any Holder or Depositor shall bear interest.

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any taxes charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Trustee-Manager for which the Trustee-Manager may be made liable in respect of or in connection therewith.

The Trustee-Manager shall not be liable to account to a Holder for any payment made or suffered to be made by the Trustee-Manager in good faith and in the absence of fraud, gross negligence, wilful default, a breach of this Deed or a breach of trust or lack of due care to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors for any amounts payable in respect of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities shall be a good discharge to the Trustee-Manager, and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

12.4 Unclaimed Moneys

12.4.1 Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the "**Unclaimed Moneys Account**") from which the Trustee-Manager may, from time to time, make payments to a Holder claiming any such moneys.

12.4.2 Subject to Clause 24, the Trustee-Manager may, at its absolute discretion and if practicable, cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property for such payment.

12.4.3 Clauses 12.4.1 and 12.4.2 shall not apply to moneys payable to a Holder which remain unclaimed where the Trust is Listed and to the extent that such unclaimed moneys are held by the Depository. Subject to Clause 24, the Trustee-Manager may, at its absolute

discretion and if practicable, cause such sums which are returned by the Depository to the Trustee-Manager (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such Holder) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant Holder PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property for such payment.

3. THE RIGHTS OF STAPLED SECURITYHOLDERS IN RESPECT OF VOTING

(a) VI-REIT TRUST DEED

13. VOTING RIGHTS IN RESPECT OF THE DEPOSITED PROPERTY

13.1 Manager's Right to Determine How Voting Rights are Exercised

Except as otherwise expressly provided and subject to Clause 10.4 relating to Special Purpose Vehicles and Treasury Companies owned by the Trustee, all rights of voting conferred by any of the Deposited Property shall be exercised in such manner as the Manager may in writing direct and the Manager may refrain at its own discretion from the exercise of any voting rights and no Holder shall have any right to interfere or complain.

The Trustee shall, upon written request by and at the expense of the Manager from time to time, execute and deliver or cause to be executed or delivered to the Manager or its nominees such powers of attorney or proxies as the Manager may reasonably require, in such name or names as the Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.

The Manager shall be entitled to exercise the said rights in what the Manager may consider to be the best interests of the Holders, but neither the Manager nor the Trustee shall be under any liability or responsibility in respect of the management of the Investment in question nor in respect of any vote, action or consent given or taken or not given or not taken by the Manager whether in person or by proxy, and neither the Trustee nor the Manager nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done or approval voted or given or withheld by the Trustee or the Manager or by the holder of such proxy or power of attorney under this Deed; and the Trustee shall be under no obligation to anyone and shall not incur any liability with respect to any action taken or caused to be taken or omitted to be taken by the Manager or by any such proxy or attorney.

The Manager shall in respect of its having exercised or not having exercised any such right of voting, action or consent keep a written record of such exercise or non-exercise and shall at all reasonable times during Business Hours give the Trustee and any Holder reasonable access to such record and allow the Trustee and any Holder to inspect such record but neither the Trustee nor any Holder shall be entitled to remove the same or to make any entries therein or alterations thereto, PROVIDED ALWAYS

THAT if such record is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 13.1 may be satisfied by the production of legible evidence of the contents of such record.

13.2 Construction of Voting Rights

The phrase "**rights of voting**" or the word "**vote**" used in this Clause 13 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

SCHEDULE 1

MEETINGS OF HOLDERS

1. A general meeting to be called the "Annual General Meeting" shall, in addition to any other meeting of Holders, be held once in every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting, but so long as the Trust holds its first Annual General Meeting within 18 months of its constitution, the Trust need not hold it in the year of its constitution or in the following year. Save as set out above and in Clause 21, all Annual General Meetings may be held at such time and place as may be determined by the Trustee and the Manager. All other general meetings shall be called Extraordinary General Meetings.

2. The Trustee or the Manager (and the Manager shall at the request in writing of not less than 50 Holders or Holders representing not less than 10.0% of the issued Units of the Trust) may at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as may be thought fit and the following provisions of this Schedule shall apply thereto. Any such meeting convened shall be held in Singapore.

3. Prior to the Listing Date or (in the event that the Trust is part of a Stapled Group) the listing of the Stapled Group, the Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any Associate has a material interest.

4. After the Listing Date or (as the case may be) the listing of the Stapled Group, the Manager or (being a Holder), the controlling shareholders (as defined in the Listing Rules) of the Manager and any Associate thereof shall be entitled to receive notice of and attend at any such meeting but shall subject to paragraph 5(ii) of this Schedule, not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the relevant controlling shareholders of the Manager or any Associate has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Listing Rules and/or the listing rules of other relevant Recognised Stock Exchange) and interested party transactions (as defined in the Property Funds Appendix) and accordingly for the purposes of the following provisions of this Schedule, Units or (as the case may be) Stapled Securities held or deemed to be held by the Manager or any Associate shall not be regarded as being in issue under such circumstances. Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting.

5. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by:

   (i) Extraordinary Resolution to:

      (a) sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;

      (b) sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Divestment Fee and the Trustee's remuneration as provided in Clause 15 of this Deed;

      (c) remove the Auditors and appoint other Auditors in their place as provided in Clause 22.3 of this Deed;

      (d) remove the Trustee as provided in Clause 23.3.4 of this Deed;

      (e) direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act (relating to the winding up of the Trust); and

      (f) delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed; and

   (ii) a resolution duly proposed and passed as such by a simple majority of Holders present and voting at a general meeting, with no Holder being disenfranchised, to remove the Manager as provided in Clause 24.1.4 of this Deed,

   and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 5(i) and (ii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the Securities and Futures Act, the Code or the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange.

5.1 Subject to paragraph 5.2 below, at least 2 days' notice (in the case of Holders' meetings prior to the Listing Date) or 14 days' notice (in the case of Holders' meetings after the Listing Date or (as the case may be) the listing of the Stapled Group) to pass an Ordinary Resolution) or 21 days' notice (in the case of Holders' meetings after the Listing Date to pass an Extraordinary Resolution) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed, and each such notice shall where required by any Relevant Laws, Regulations and Guidelines be given by advertisement in the daily press and in writing to each stock exchange on which the Trust or the Stapled Group is listed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. Any accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

5.2 Notwithstanding the provisions of paragraph 5.1 above, a meeting of Holders convened by the Trustee for the purposes of the winding up of the Trust pursuant to the Securities and Futures Act shall comply with the relevant requirements of the Securities and Futures Act.

6. The quorum shall be not less than two Holders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units or (as the case may be) Stapled Securities for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

7. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units or (as the case may be) Stapled Securities held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.

8. A person nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairman.

9. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

10. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Holders present in person or by proxy, or holding or representing one-tenth in value of the Units or (as the case may be) Stapled Securities represented at the meeting. Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid. Every Holder shall, notwithstanding any provision to the contrary in this Deed, have a right to attend any general meeting of the Holders and to speak and vote on any resolution before the meeting in accordance with this Schedule.

11. If a poll is duly demanded it shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

12. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs. A demand for a poll may be withdrawn at any time.

13. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

14. On a show of hands every Holder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Holder who is present in person or by proxy shall have one vote for every Unit or (as the case may be) Stapled Securities of which he is the Holder. A person entitled to more than one vote need not use all his votes or cast them the same way.

15. In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.

16. On a poll votes may be given either personally or by proxy.

17. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.

18. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder. The valid instrument appointing a proxy to vote at a meeting of the Holders shall be deemed to confer the same authority to demand or join in demanding a poll as that of the appointing Holder.

19. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve.

20. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (as the case may be) Stapled Securities in respect of which the proxy is given Provided That no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

21. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at the expense of the Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

22. A resolution in writing signed by or on behalf of all the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as a resolution (including an Extraordinary Resolution) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.

23. For the purpose of this Deed, an Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution (where voting is by poll) or by a majority of the number of Holders present and voting (where voting is by show of hands) at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager and an Ordinary Resolution means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution (where voting is by poll) or by a majority of the number of Holders present and voting (where voting is by show of hands) at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager.

    An Extraordinary Resolution or (as the case may be) an Ordinary Resolution shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

24. A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

25. For the purposes of determining the number of Units held in respect of Units, or (as the case may be) the number of Stapled Securities held in respect of Stapled Securities, registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units or (as the case may be) Stapled Securities, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.

26. Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units or (as the case may be) Stapled Securities in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 8 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 26.

(b) VI-BT TRUST DEED

28. MEETINGS OF HOLDERS

The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

SCHEDULE 1

Meeting of Holders

1. General Meetings

1.1 Annual general meetings

An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting and, for so long as the Trust is Listed on the SGX-ST and/or any other Recognised Stock Exchange, within such period as may be prescribed by the Listing Rules and/or the listing rules of such other Recognised Stock Exchange) and place as may be determined by the Trustee-Manager. All other general meetings shall be called Extraordinary General Meetings.

1.2 Extraordinary general meetings

The Trustee-Manager may whenever it thinks fit, and shall on requisition in accordance with the Relevant Laws, Regulations and Guidelines, proceed with proper expedition to convene an Extraordinary General Meeting.

1.3 Requisition and calling of general meetings

Requisition of general meetings and calling of general meetings shall be in accordance with the Business Trusts Act and any other Relevant Laws, Regulations and Guidelines.

2. Notice of General Meeting

2.1 Subject to the Business Trusts Act and for so long as the Trust is Listed, the Listing Rules as well, notice of every general meeting shall be given to the Holders in the manner provided in this Deed. The period of notice shall be determined in accordance with the Business Trusts Act and for so long as the Trust is Listed, the Listing Rules as well, PROVIDED THAT the period of notice prescribed under the Business Trusts Act and the Listing Rules (as the case may be) shall not be inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given. Where there is an inconsistency between the Business Trusts Act and the Listing Rules on the period of notice required, the period of notice required for the purposes of this Deed shall be the longer of the periods of notice prescribed by the Business Trusts Act and the Listing Rules. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such businesses.

2.2 The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

2.3 Notwithstanding the preceding sub-paragraphs of this paragraph 2 but subject to the Relevant Laws, Regulations and Guidelines, any notice or other document required to be served upon or sent to all the Holders for the time being shall be deemed to have been duly served or sent if published in any one leading English-language daily newspaper in Singapore and any one leading Chinese-language daily newspaper in Singapore. Any notice or document so served or sent shall be deemed to have been so served or sent on the date of such publication and, if the publication in the two newspapers does not appear on the same day, on the date of the later publication.

3. Proceedings at Meetings

3.1 Chairman of meetings

The chairman or deputy chairman of the Board or if the chairman or deputy chairman is not present or there is no chairman or deputy chairman present, a person nominated in writing by the Trustee-Manager shall preside as chairman ("**Chairman**") at a general meeting. If the chairman or deputy chairman is not present within fifteen minutes after the time appointed for holding the general meeting, or in the case where there is no chairman or deputy chairman present and there is no person nominated in writing by the Trustee-Manager or such nominated person is not present, the Holders present shall choose one of their number to be Chairman.

3.2 Holders' rights at meetings

Every Holder shall, notwithstanding any provision to the contrary in this Deed, have a right to attend any general meeting of the Holders and to speak and vote on any resolution before the meeting in accordance with paragraphs 3.5 and 3.6 of this Schedule.

3.3 Quorum

No business other than the appointment of a Chairman shall be transacted at any general meeting unless the quorum is present at the commencement of business. The quorum shall be not less than two Holders present in person or by proxy of one-tenth in value of all the Units for the time being in issue, PROVIDED THAT (i) a proxy representing more than one Holder shall only count as one Holder for the purpose of determining the quorum; and (ii) where a Holder is represented by more than one proxy such proxies shall count as only one Holder for the purpose of determining the quorum.

3.4 Adjournment of meetings

3.4.1 If within half an hour from the time appointed for a meeting (or such longer interval as the Chairman may think fit to allow) a quorum is not present, the general meeting, if convened on the requisition of Holders, shall be dissolved. In any other case it shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman.

3.4.2 Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.

3.4.3 The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

3.5 Voting

3.5.1 At any meeting a resolution put to the vote of the meeting shall, subject to the requirements of the prevailing Relevant Laws, Regulations and Guidelines, be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded (i) by the Chairman; (ii) by five or more Holders present in person or by proxy and having the right to vote at the meeting; or (iii) by Holder(s) present in person or by proxy representing not less than 10.0% of the total voting rights of all the Holders having the right to vote at the meeting.

3.5.2 Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

3.5.3 If a poll is duly demanded it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded. The Chairman may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

3.5.4 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs. A demand for a poll may be withdrawn at any time.

3.5.5 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

3.6 Votes of Holders

3.6.1 Subject to the Business Trusts Act, each Unit shall confer the right to poll at any meeting to one vote, and one vote only. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid.

3.6.2 On a show of hands every Holder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote.

3.6.3 On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder. On a poll votes may be given either personally or by proxy. A person entitled to more than one vote need not use all his votes or cast them the same way.

3.6.4 In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.

3.6.5 Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Holder on the ground (however formulated) of mental disorder, the Trustee-Manager may in its absolute discretion, upon or subject to production of such evidence of the appointment as the Trustee-Manager may require, permit such receiver or other person on behalf of such Holder to vote in person or by proxy at any meeting or to exercise any other right conferred by holding of Units in relation to meetings.

3.6.6 No Holder shall, unless the Trustee-Manager otherwise determines, be entitled in respect of Units held by him to vote at a meeting either personally or by proxy or to exercise any other right conferred by holding of Units in relation to meetings if any call or other sum presently payable by him to the Trust in respect of such Units remains unpaid.

3.6.7 For the purposes of determining the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units or (in the event the Trust is part of a Stapled Group) Stapled Securities, the Trustee-Manager shall be entitled and bound to accept as accurate the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee-Manager, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. The Trustee-Manager shall not under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.

4. Proxies

4.1 An instrument of proxy may be in the usual common form or in any other form which the Trustee-Manager shall approve.

4.2 The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.

4.3 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Trustee-Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the

case of a poll before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.

4.4 The instrument appointing a proxy to vote at a meeting of the Holders shall be deemed to confer authority to demand or join in demanding a poll. A demand by a person as proxy for a Holder shall, for the purpose of paragraph 3.5, be deemed to be the same as a demand by the Holder.

4.5 A Holder may appoint not more than two proxies to attend and vote at the same meeting, PROVIDED THAT if the Holder is a Depositor, the Trustee-Manager shall be entitled and bound:

4.5.1 to reject any instrument of proxy lodged if the Depositor is not shown to have any Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against his name in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust; and

4.5.2 to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(i) In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities concerned to be represented by each proxy shall be specified in the form of proxy. Where a Holder appoints two proxies and does not specify the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities to be represented by each proxy, then the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities held by the Holder are deemed to be equally divided between the proxies.

(ii) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Trustee-Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

5. Minutes of Proceedings

5.1 The Trustee-Manager shall exercise Due Care to ensure that it will comply with all provisions of Relevant Laws, Regulations and Guidelines in relation to records of proceedings of meetings.

5.2 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee-Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

6. Resolutions

6.1 An Ordinary Resolution means a resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing, as described in paragraph 6.3 below.

6.2 An Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing, as described in paragraph 6.3 below.

6.3 A resolution in writing signed by or on behalf of the relevant percentage, as required for the passing of an Ordinary Resolution or Extraordinary Resolution (as the case may be), of the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as an Ordinary Resolution or Extraordinary Resolution (as the case may be) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned. The expressions "**in writing**" and "**signed**" include approval by any such Holder by telefax or any form of electronic communication approved by the Trustee-Manager.

6.4 An Extraordinary Resolution or an Ordinary Resolution, as the case may be, shall be binding on all Holders or, where applicable, the holders of the Stapled Securities, whether or not present at the relevant meeting and each of the Holders or, where applicable, the holders of the Stapled Securities and the Trustee-Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

7. Corporate Representatives

7.1 A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

7.2 Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 3.1 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 7.2.

Deloitte.

Viva Industrial Business Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 14 October 2013)

Financial Statements

Year ended 31 December 2017

Viva Industrial Real Estate Investment Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 August 2013)

Financial Statements

Year ended 31 December 2017

Viva Industrial Trust

(Constituted in the Republic of Singapore pursuant to a stapling deed dated 14 October 2013)

Financial Statements

Year ended 31 December 2017

Deloitte & Touche LLP (Unique Entity No. T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A).

APPENDIX H — AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE VIT GROUP FOR FY2017

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Viva Industrial Business Trust
Viva Industrial Real Estate Investment Trust and its subsidiary
Viva Industrial Trust
Reports of the Trustee-Manager, Trustee and Manager
Year ended 31 December 2017

Report of the Trustee-Manager of Viva Industrial Business Trust

The directors of Viva Asset Management Pte. Ltd., the trustee-manager of Viva Industrial Business Trust ("VI-BT", and the trustee-manager of VI-BT, the "Trustee-Manager"), present this report to the unitholders together with the audited financial statements for the financial year ended 31 December 2017.

Directors

The directors of the Trustee-Manager in office at the date of this report are as follows:

Ang Poh Seong
Leong Horn Kee
Choong Chow Siong
Ronald Lim Cheng Aun
Teo Cheng Hiang Richard
Tan Kim Seng
Tan Hai Peng Micheal

Directors' interests in shares or debentures

According to the register kept by the Trustee-Manager for the purpose of Section 76 of the Business Trusts Act, Chapter 31A of Singapore (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in units in VI-BT are as follows:

	Direct Interest		Deemed Interest	
Name of directors	**Holdings at beginning of the year**	**Holdings at end of the year**	**Holdings at beginning of the year**	**Holdings at end of the year**
Ang Poh Seong	1,250,000	2,269,835	–	–
Leong Horn Kee	64,000	64,000	–	–
Ronald Lim Cheng Aun	93,000	93,000	–	–
Teo Cheng Hiang Richard	200,000	200,000	–	–
Tan Kim Seng	–	–	36,629,800	1,587,304
Tan Hai Peng Micheal	–	–	75,930,875	79,821,731

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units of VI-BT either at the beginning or at the end of the financial year.

There were no changes in any of the abovementioned interests in VI-BT between the end of the financial year and 21 January 2018.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Trustee-Manager a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in or debentures of VI-BT.

Directors' contractual benefits

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by VI-BT or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the financial statements.

Options

During the financial year, there were:

(i) no options granted by the Trustee-Manager to any person to take up unissued units in VI-BT; and

(ii) no units issued by virtue of any exercise of option to take up unissued units of VI-BT.

As at the end of the financial year, there were no unissued units of VI-BT under options.

Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

Statement by the Trustee-Manager

In our opinion:

(a) the financial statements of VI-BT set out on pages FS1 to FS69 are drawn up so as to give a true and fair view of the financial position of VI-BT as at 31 December 2017 and the financial performance, changes in unitholders' funds and cash flows of VI-BT for the year then ended on that date in accordance with the provisions of the Act and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that VI-BT will be able to fulfil, out of the trust property of VI-BT, the liabilities of VI-BT as and when they fall due.

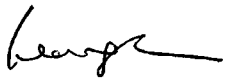
With respect to the statement of comprehensive income of VI-BT for the year ended 31 December 2017, we further certify that:

- interested person transactions are not detrimental to the interests of all the unitholders of VI-BT as a whole based on the circumstances at the time of the transactions; and

- the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of VI-BT or on the interests of all the unitholders of VI-BT as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the Trustee-Manager,
Viva Asset Management Pte. Ltd.



Leong Horn Kee
Director



Ang Poh Seong
Director

Singapore
26 March 2018

Statement by the Chief Executive Officer of the Trustee-Manager

In accordance with Section 86 of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of VI-BT or on the interests of all the unitholders of VI-BT as a whole.



Ang Poh Seong
Chief Executive Officer

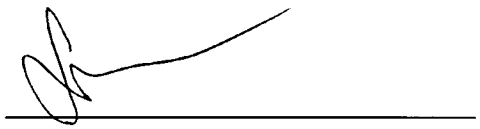
Singapore
26 March 2018

Report of the Trustee of Viva Industrial Real Estate Investment Trust

Perpetual (Asia) Limited (the "REIT Trustee") is under a duty to take into custody and hold the assets of Viva Industrial Real Estate Investment Trust ("VI-REIT") and its subsidiary (collectively, the "VI-REIT Group") in trust for the holders of units in VI-REIT. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the REIT Trustee shall monitor the activities of Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed") made between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed VI-REIT Group during the year covered by these financial statements set out on pages FS1 to FS69, in accordance with the limitations imposed on the investment and borrowing powers set out in the VI-REIT Trust Deed.

For and on behalf of the REIT Trustee,
Perpetual (Asia) Limited



Sin Li Choo
Director

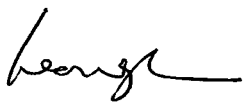
Singapore
26 March 2018

Viva Industrial Business Trust
Viva Industrial Real Estate Investment Trust and its subsidiary
Viva Industrial Trust
Reports of the Trustee-Manager, Trustee and Manager
Year ended 31 December 2017

Report of the Manager of Viva Industrial Real Estate Investment Trust

In the opinion of the directors of Viva Industrial Trust Management Pte. Ltd., the manager of Viva Industrial Real Estate Investment Trust ("VI-REIT", and the manager of VI-REIT, the "REIT Manager"), the accompanying financial statements of VI-REIT Group and Viva Industrial Trust (the "Stapled Group" comprising VI-REIT and its subsidiary (collectively, the "VI-REIT Group") and Viva Industrial Business Trust ("VI-BT")) set out on pages FS1 to FS69, comprising their statements of financial position, statements of total return, distribution statements, statements of movements in unitholders' funds, statements of cash flows, portfolio statements and notes to the financial statements, are drawn up so as to present fairly, in all material respects, the financial positions of VI-REIT Group and the Stapled Group as at 31 December 2017, the total return, distributable income, movements in unitholders' funds and cash flows of VI-REIT Group and the Stapled Group for the year ended 31 December 2017, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of VI-REIT's trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed") made between Perpetual (Asia) Limited (the "REIT Trustee") and the REIT Manager, and the stapling deed of Viva Industrial Trust made between the REIT Trustee, the REIT Manager and Viva Asset Management Pte. Ltd. (the trustee-manager of VI-BT) dated 14 October 2013. At the date of this statement, there are reasonable grounds to believe that VI-REIT Group and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the REIT Manager,
Viva Industrial Trust Management Pte. Ltd.



Leong Horn Kee
Chairman

Singapore
26 March 2018

Statement on Policies and Practices in Relation to the Management and Governance of the Trust

Viva Industrial Business Trust ("VI-BT") has been inactive since the listing of Viva Industrial Trust ("VIT") on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 4 November 2013.

Although VI-BT is inactive, the Board of Directors of Viva Asset Management Pte. Ltd. ("Trustee-Manager") (the "Trustee-Manager Board") is committed to complying with the requirements under the SGX-ST Listing Manual, the Business Trusts Act, Chapter 31A of Singapore (the "BTA") and the Business Trusts Regulations 2005 (the "BTR") (except where waivers have been obtained from the Monetary Authority of Singapore (the "MAS")), the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") as well as the trust deed dated 14 October 2013 constituting VI-BT (the "VI-BT Trust Deed") and the stapling deed dated 14 October 2013 (the "Stapling Deed").

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of VI-BT units (the "VI-BT Unitholders"), and managing the business conducted by VI-BT. The Trustee-Manager has general powers of management over the business and assets of VI-BT and its main responsibility is to manage VI-BT's assets and liabilities for the benefit of the VI-BT Unitholders as a whole.

The Trustee-Manager, in exercising its powers and carrying out its duties as VI-BT's Trustee-Manager, is required to:

- treat the VI-BT Unitholders in the same class fairly and equally and VI-BT Unitholders who hold VI-BT units in different classes (if any) fairly;
- ensure that all payments out of the trust property of VI-BT (the "VI-BT Trust Property") are made in accordance with the VI-BT Trust Deed and the Stapling Deed;
- report to the MAS any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 by any other person that:
  - relates to VI-BT; and
  - has had, has or is likely to have, a material adverse effect on the interests of all the VI-BT Unitholders, or any class of VI-BT Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- ensure that the VI-BT Trust Property is properly accounted for; and
- ensure that the VI-BT Trust Property is kept distinct from the property held in its own capacity.

The Trustee-Manager has the following duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as VI-BT's Trustee-Manager in accordance with the BTA and the VI-BT Trust Deed;
- act in the best interests of all VI-BT Unitholders as a whole and give priority to the interests of all VI-BT Unitholders as a whole over its own interests in the event of a conflict between the interests of all VI-BT Unitholders as a whole and its own interests;

- not make improper use of any information acquired by virtue of its position as VI-BT's Trustee-Manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the VI-BT Unitholders;

- hold the VI-BT Trust Property on trust for all VI-BT Unitholders as a whole in accordance with the terms of the VI-BT Trust Deed;

- adhere with the business scope of VI-BT as set out in the VI-BT Trust Deed;

- review interested person transactions in relation to VI-BT; and

- review expense and cost allocations payable to the Trustee-Manager in its capacity as trustee-manager of VI-BT out of the VI-BT Trust Property, and ensure that fees and expenses charged to VI-BT are appropriate and in accordance with the VI-BT Trust Deed.

The MAS has also granted the Trustee-Manager an exemption from compliance with sections 10(2)(a) and 11(1)(a) of the BTA to the extent that sections 10(2)(a) and 11(1)(a) require the Trustee-Manager Directors to act in the best interests of the VI-BT Unitholders only so long as:

(a) the Trustee-Manager ensures that the units of VI-BT remain stapled to the units of VI-REIT; and

(b) the Trustee-Manager and its Directors shall act in the best interest of all the Stapled Securityholders as a whole.

VI-BT Trust Property is Properly Accounted for

In the event that VI-BT becomes active, the VI-BT Trust Property shall be properly accounted for and kept distinct from the property of the Trustee-Manager in its own capacity. Different bank accounts shall be maintained for the Trustee-Manager in its personal capacity and its capacity as trustee-manager of VI-BT.

Adherence to the Business Scope of VI-BT

In the event that VI-BT becomes active, the Trustee-Manager Board shall review and approve all authorised businesses undertaken by VI-BT so as to ensure its adherence to the business scope as set out in the VI-BT Trust Deed. Such authorised businesses include:

(i) the acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto;

(ii) ownership of subsidiaries which are engaged in the acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto; and

(iii) any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii), including the management and leasing of the authorised investments.

Fees Payable to the Trustee-Manager

Base Fee

Under the VI-BT Trust Deed, the Trustee-Manager shall be entitled to a base fee comprising 10.0% of the distributable income of VI-BT in the relevant financial year (calculated before accounting for this base fee and the Trustee-Manager's performance fee in that financial year) ("BT Base Fee"), payable in the event that VI-BT becomes active.

Performance Fee

Under the VI-BT Trust Deed, the Trustee-Manager shall be entitled to a performance fee equal to the rate of 25.0% of the difference in the distribution per stapled security ("DPS") of VIT in a financial year with the DPS of VIT in the preceding financial year (calculated before accounting for the performance fee of the Trustee-Manager and the REIT Manager but after accounting for the base fee of the Trustee-Manager and the REIT Manager in each financial year) multiplied by the weighted average number of stapled securities in issue for such financial year ("BT Performance Fee").

The BT Performance Fee is payable if the DPS of VIT in respect of a financial year exceeds the DPS of VIT in the preceding financial year, notwithstanding that the DPS of VIT in the financial year where the BT Performance Fee is payable may be less than the DPS of VIT in any financial year prior to the preceding financial year.

For the purpose of the computation of the BT Performance Fee only, the DPS of VIT shall be calculated based on all income of VIT arising from the operations of VIT, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments or authorised business of VIT but shall exclude any one-off income of VIT such as any income arising from any sale or disposal of (i) any real estate (whether directly or indirectly through one or more special purpose vehicles) or any part thereof, and (ii) any investments forming part of the VI-BT Trust Property or any part thereof.

For the purpose of calculating the BT Performance Fee for the first full financial year following VI-BT becoming active, the DPS of VIT for the base financial year shall be the annualised amount of the actual DPS of VIT made in respect of the prior financial year.

There should be no double-counting of fees in the event both the REIT Manager and the Trustee-Manager are entitled to the Base Fee and the Performance Fee. In the event that both the REIT Manager and the Trustee-Manager are entitled to Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of VI-REIT and VI-BT in the Performance Fee. For the avoidance of doubt, the maximum Base Fee payable to both the REIT Manager and the Trustee-Manager collectively is 10.0% per annum of the distributable income and the maximum performance fee payable to both the REIT Manager and the Trustee-Manager collectively is 25.0% per annum of the difference in DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of stapled securities in issue for such financial year.

The Trustee-Manager may elect to receive the BT Base Fee and the BT Performance Fee in cash or stapled securities or a combination of cash and stapled securities (as it may in its sole discretion determine).

Trustee Fee

Under the VI-BT Trust Deed, the Trustee-Manager is entitled to a trustee fee in cash of up to 0.03% per annum of the value of the VI-BT Trust Property, provided that the value of the VI-BT Trust Property is at least $50.0 million.

For the purpose of calculating the trustee fee, if VI-BT holds only a partial interest in any of the VI-BT Trust Property, such VI-BT Trust Property shall be pro-rated in proportion to the partial interest held.

For the year under review, no management fee and trustee fee were paid to the Trustee-Manager as VI-BT remains inactive.

Expenses Charged to VI-BT

The Trustee-Manager Board will carry out quarterly reviews to ensure that the expenses payable to the Trustee-Manager out of the VI-BT Trust Property are appropriate and in accordance with the VI-BT Trust Deed, in the event VI-BT becomes active.

For the year under review, no expenses were paid to the Trustee-Manager from the VI-BT Trust Property as VI-BT remains inactive.

Compliance with the BTA and the SGX-ST Listing Manual

The Trustee-Manager will engage the services of and obtain advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the SGX-ST Listing Manual in the event that VI-BT becomes active.

Composition of the Trustee-Manager Board

Under Regulation 12(1) of the BTR, the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every Substantial Shareholder of the Trustee-Manager (defined as any shareholder of the Trustee-Manager with an interest of not less than 5.0% of the shares in issue); and
- at least a majority of Trustee-Manager Directors who are independent from any single Substantial Shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of seven Directors, four of whom are Independent Directors for the purposes of the BTA. They are:

Name	**Position**
Leong Horn Kee	Chairman and Independent Non-Executive Director
Ang Poh Seong	Executive Director and Chief Executive Officer
Choong Chow Siong	Independent Non-Executive Director
Teo Cheng Hiang Richard	Independent Non-Executive Director
Ronald Lim Cheng Aun	Independent Non-Executive Director
Tan Kim Seng	Non-Executive Director
Tan Hai Peng Micheal	Non-Executive Director

Mr Ang Poh Seong is considered a non-independent director as he is the Chief Executive Officer of the Trustee-Manager. Both Mr Tan Kim Seng and Mr Tan Hai Peng Micheal are considered non-independent directors as they are also directors of Viva Investment Management Pte Ltd, the sole shareholder of the Trustee-Manager.

None of the directors of the Trustee-Manager would, by definition under the BTR, be independent from a Substantial Shareholder as all the directors of the Trustee-Manager are also directors of the REIT Manager, and both the Trustee-Manager and the REIT Manager are wholly-owned by Viva Investment Management Pte Ltd.

The MAS has also granted the Trustee-Manager an exemption from compliance with regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that regulations 12(1)(a) and 12(1)(b) of the BTR require the directors of the Trustee-Manager to be independent, subject to certain conditions.

The stapling together of VI-BT units and VI-REIT units means that the VI-BT Unitholders are also the holders of the stapled securities, who stand to benefit as a whole regardless of whether the directors of the Trustee-Manager are independent from the Substantial Shareholders of the Trustee-Manager.

In addition to compliance with the requirements under the BTA, the composition of the Trustee-Manager Board is determined using the following principles:

- the Chairman of the Trustee-Manager Board should be a non-executive director; and
- the Trustee-Manager Board should consist of directors with a broad range of commercial experience.

The composition of the Trustee-Manager Board will be reviewed regularly to ensure that the Trustee-Manager Board has the appropriate mix of expertise and experience.

As at the date of this report, the REIT Manager Board and the Trustee-Manager Board consist of the same directors except for Mr Tong Jinquan, a Non-Independent Non-Executive Director of the REIT Manager, who is not a director of the Trustee-Manager. As at the date of this report, VI-BT is inactive and a majority of the directors of the Trustee-Manager are independent as required under the BTR. In the event that VI-BT becomes active, the composition of the REIT Manager Board and the Trustee-Manager Board will be realigned to be the same.

Chairman and Chief Executive Officer

The positions of Chairman of the Trustee-Manager Board and Chief Executive Officer of the Trustee-Manager are held by two different individuals in order to ensure an appropriate balance of power, increased accountability and to maintain effective checks and balances. The Chairman of the Trustee-Manager Board is Dr Leong Horn Kee, while the Chief Executive Officer of the Trustee-Manager is Mr Ang Poh Seong. The Chairman is responsible for the overall management of the Trustee-Manager Board, while the Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager.

Access to Information

The Trustee-Manager Board has separate and independent access to senior management of the Trustee-Manager (the "Management") and the company secretary of the Trustee-Manager (the "Company Secretary") at all times. The Directors also have access to independent professional advice where appropriate and whenever requested.

The Company Secretary of the Trustee-Manager, Ms Ang Siew Koon, is also the Company Secretary of the REIT Manager.

The Company Secretary reports to the Chief Executive Officer of the Trustee-Manager and her duties include:

- ensuring that board procedures of the Trustee-Manager Board are followed;
- assisting the Trustee-Manager with corporate secretarial administration matters for the Trustee-Manager, both in its personal capacity and in its capacity as trustee-manager of VI-BT, including attending all board meetings; and
- assisting the Trustee-Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the SGX-ST Listing Manual.

Remuneration Matters

As VI-BT remains inactive, no compensation is payable to the Directors and Executive Officers of the Trustee-Manager.

Audit Committee

The MAS has granted the Trustee-Manager an exemption from compliance with section 15(1) of the BTA to the extent that section 15(1) requires an audit committee to be constituted before VI-BT becomes active, subject to certain conditions.

External Auditor

The Trustee-Manager, on behalf of VI-BT, confirms that VI-BT has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its auditing firm.

Internal Audit

As VI-BT remains inactive, an internal auditor has not been appointed.

Risk Management and Internal Controls

The Trustee-Manager Board will put in place appropriate internal control systems including the following to manage business risks in the event that VI-BT becomes active.

The Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of VI-BT against a previously approved budget. The Trustee-Manager Board will also review the business risks of VI-BT, examine liability management and will act upon any comments from both the internal and external auditors of VI-BT.

In assessing business risks, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. It will review management reports prior to approving major transactions.

The Management will meet regularly to review the operations of the Trustee-Manager and VI-BT and discuss any disclosure issues.

Interested Person Transactions and Potential Conflicts of Interest

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of VI-BT) or any of the subsidiaries or associated companies of VI-BT); and

- any of the Interested Persons (namely, the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of VI-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of VI-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Stapled Securityholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Stapled Securityholder)

would constitute an Interested Person Transaction.

For so long as VI-BT is part of a stapled group and in the event that the REIT Manager Board and the Trustee-Manager Board cannot reach an agreement on any resolution relating to governance or compliance matters before them where such resolution would require the collective approval of both the Boards of Directors of the REIT Manager and the Trustee-Manager, the votes of the Independent Directors of the REIT Manager will prevail in the event that the Trustee-Manager Board has approved such resolutions.

Since the VI-REIT units and VI-BT units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested party transactions will be absent in transactions between VI-REIT and VI-BT.

Internal Control System

In the event that VI-BT becomes active, the Trustee-Manager will establish an internal control system to ensure that all future Interested Person Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of VI-BT and the Stapled Securityholders.

The Trustee-Manager will maintain a register to record all Interested Person Transactions which are entered into by VI-BT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by VI-BT.

Where matters concerning VI-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of VI-BT with an Interested Person (as defined in the BTA) of the Trustee-Manager (which would include relevant associates thereof) or VI-BT, the Trustee-Manager Board will consider the terms of such transactions to satisfy itself that such transactions are:

- conducted on normal commercial terms;
- not prejudicial to the interests of VI-BT and the Stapled Securityholders; and
- in compliance with all applicable requirements of the SGX-ST Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or VI-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the SGX-ST Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST that apply to business trusts.

The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the SGX-ST Listing Manual in a particular financial year will be disclosed in VIT's annual report for the relevant financial year.

Save for the Interested Person Transactions in connection with the setting up of VI-BT, Exempted Agreements, and Future Interested Party Transactions (as disclosed in the IPO prospectus of VIT), VI-BT will comply with Rule 905 of the SGX-ST Listing Manual by announcing any Interested Person Transaction in accordance with the SGX-ST Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the SGX-ST Listing Manual) during the same financial year, is 3.0% or more of the value of VI-BT's latest audited net tangible assets.

Potential Conflicts of Interest

The Trustee-Manager has instituted the following procedures to deal with conflicts of interest issues:

- all resolutions in writing of the Trustee-Manager Directors in relation to matters concerning VI-BT must be approved by a majority of the Trustee-Manager Directors, including at least one Independent Trustee-Manager Director;

- all executive officers will be employed by the Trustee-Manager;

- in respect of matters in which a Trustee-Manager Director or his Associates (as defined in the SGX-ST Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude such interested director;

- in respect of matters in which each of the Sponsors and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by such Sponsor and/or its subsidiaries to the Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude any nominee directors of such Sponsor and/or its subsidiaries; and

- where matters concerning VI-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of VI-BT with an Interested Person of the Trustee-Manager (which would include relevant associates thereof) or VI-BT, the Trustee-Manager Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of VI-BT and the Stapled Securityholders, and are in compliance with all applicable requirements of the SGX-ST Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or VI-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the SGX-ST Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST that apply to business trusts.

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Independent Auditor's Report

Stapled Securityholders
Viva Industrial Business Trust
Viva Industrial Real Estate Investment Trust

Report on the audit of the financial statements

Opinion

We have audited:

(i) the financial statements of Viva Industrial Business Trust ("VI-BT") (constituted in the Republic of Singapore pursuant to a trust deed dated 14 October 2013) for the financial year ended 31 December 2017;

(ii) the consolidated financial statements of Viva Industrial Real Estate Investment Trust ("VI-REIT") (constituted in the Republic of Singapore pursuant to a trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed")) and its subsidiary (collectively referred to as "VI-REIT Group") for the financial year ended 31 December 2017; and

(iii) the consolidated financial statements of Viva Industrial Trust (constituted in the Republic of Singapore pursuant to a stapling deed dated 14 October 2013 (the "Stapling Deed")) for the financial year ended 31 December 2017.

Viva Industrial Trust, which comprises VI-BT and VI-REIT Group, is hereinafter referred to as the "Stapled Group".

The accompanying financial statements comprise the statements of financial position of VI-BT, VI-REIT Group and the Stapled Group as at 31 December 2017; the statement of comprehensive income of VI-BT, statements of total return of VI-REIT Group and the Stapled Group, distribution statements of VI-REIT Group and the Stapled Group, statements of movements in unitholders' funds of VI-BT, VI-REIT Group and the Stapled Group and statements of cash flows of VI-BT, VI-REIT Group and the Stapled Group, all for the financial year then ended; portfolio statements of VI-REIT Group and the Stapled Group as at 31 December 2017; and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS69.

In our opinion:

(a) the financial statements of VI-BT are properly drawn up in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of VI-BT as at 31 December 2017 and of the financial performance, movements in unitholders' funds and cash flows of VI-BT for the financial year ended on that date; and

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(b) the consolidated financial statements of VI-REIT Group and the Stapled Group present fairly, in all material respects, the financial positions of VI-REIT Group and the Stapled Group as at 31 December 2017 and the total return, distributable income, movements in unitholders' funds and cash flows of VI-REIT Group and the Stapled Group for the financial year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the VI-REIT Trust Deed and the Stapling Deed.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Stapled Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How the matter was addressed in the audit**
Fair Valuation and Disclosure of Fair Value for Investment Properties The Stapled Group owns a portfolio of investment properties comprising business parks and industrial properties in Singapore. The investment properties represent the single largest category of assets on the Statement of Financial Position, at $1,284,700,000 as at 31 December 2017. The Stapled Group has adopted the fair value model under FRS 40 *Investment Property* which requires all the investment properties to be measured at fair value. The Stapled Group has engaged external independent valuers ("Valuers") to perform the fair value assessment of the investment properties. The fair valuation of investment properties is considered to be a matter of significance as it requires the application of judgement in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The fair valuations are	We have assessed the REIT Manager's process of appointing and instructing the Valuers for the scope of work, as well as their process of reviewing, and accepting the Valuers' investment property valuations. We have assessed the qualifications, competence, independence, and the terms of engagement of the Valuers to determine whether there were any matters which might affect the objectivity of the Valuers or impede their scope of work. We held discussions with the REIT Manager and the Valuers on the valuation reports, and engaged our valuation specialist to assist in: • assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties;

sensitive to underlying assumptions applied in deriving the capitalisation rate, discount rate, and terminal capitalisation rate as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties.

The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 5 to the financial statements of the Stapled Group.

- comparing valuation assumptions and rates to historical rates and available industry data for comparable markets and properties; and
- assessing the integrity of the valuation calculations, valuation inputs, including the review of lease schedules and lease agreements and comparing them to the inputs made to the projected cash flows.

Based on the audit procedures performed, the fair valuations of the investment properties and the various inputs used are within a reasonable range of our expectations.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Viva Asset Management Pte. Ltd., the Trustee-Manager of VI-BT (the "Trustee-Manager") and Viva Industrial Trust Management Pte. Ltd., the Manager of VI-REIT (the "REIT Manager"), are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee-Manager and Directors of the Trustee-Manager for the financial statements of VI-BT

The Trustee-Manager is responsible for the preparation of the financial statements of VI-BT that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing VI-BT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate VI-BT or to cease VI-BT's operations, or has no realistic alternative but to do so.

The responsibilities of the Directors of the Trustee-Manager include overseeing VI-BT's financial reporting process.

Responsibilities of the REIT Manager and Directors of the REIT Manager for the financial statements of VI-REIT Group and the Stapled Group

The REIT Manager is responsible for the preparation and fair presentation of the financial statements of VI-REIT Group and the Stapled Group in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing VI-REIT Group's and the Stapled Group's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to liquidate VI-REIT or to cease VI-REIT's operations, or has no realistic alternative but to do so.

The responsibilities of the Directors of the REIT Manager include overseeing VI-REIT Group's and the Stapled Group's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 these financial 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 financial 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 VI-BT's, VI-REIT Group's and the Stapled Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager and the REIT Manager.

- Conclude on the appropriateness of the Trustee-Manager's and REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

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related to events or conditions that may cast significant doubt on the ability of VI-BT, VI-REIT Group and the Stapled Group to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause VI-BT, VI-REIT Group and the Stapled Group to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within VI-REIT Group and the Stapled Group to express an opinion on the consolidated financial statements of VI-REIT Group and of the Stapled Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Trustee-Manager and the REIT Manager 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 the Directors of the Trustee-Manager and the REIT Manager 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.

From the matters communicated with the Directors of the Trustee-Manager and the REIT Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of VI-BT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Xu Jun.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

26 March 2018

Viva Industrial Business Trust
Viva Industrial Real Estate Investment Trust and its subsidiary
Viva Industrial Trust
Financial statements
Year ended 31 December 2017

Statements of Financial Position
As at 31 December 2017

	Note	Stapled Group 2017 $'000	Stapled Group 2016 $'000	VI-REIT Group 2017 $'000	VI-REIT Group 2016 $'000	VI-BT 2017 $'000	VI-BT 2016 $'000
Non-current assets							
Subsidiary	4	-	-	-	-	-	-
Investment properties	5	1,284,700	1,199,700	1,284,700	1,199,700	-	-
Intangible assets	6	2,778	6,078	2,778	6,078	-	-
		1,287,478	1,205,778	1,287,478	1,205,778	-	-
Current assets							
Trade and other receivables	7	21,445	17,666	21,445	17,666	-	-
Cash and cash equivalents	8	9,472	30,462	9,444	30,428	28	34
		30,917	48,128	30,889	48,094	28	34
Total assets		**1,318,395**	**1,253,906**	**1,318,367**	**1,253,872**	**28**	**34**
Non-current liabilities							
Trade and other payables	11	8,700	7,986	8,700	7,986	-	-
Interest-bearing borrowings	10	420,774	461,509	420,774	461,509	-	-
Derivative financial instruments	12	2,476	1,778	2,476	1,778	-	-
		431,950	471,273	431,950	471,273	-	-
Current liabilities							
Trade and other payables	11	35,364	39,306	35,359	39,300	5	6
Interest-bearing borrowings	10	99,770	-	99,770	-	-	-
Derivative financial instruments	12	113	-	113	-	-	-
Income tax payable		4,626	4,380	4,626	4,380	-	-
		139,873	43,686	139,868	43,680	5	6
Total liabilities		**571,823**	**514,959**	**571,818**	**514,953**	**5**	**6**
Net assets		**746,572**	**738,947**	**746,549**	**738,919**	**23**	**28**
Represented by:							
Stapled Securityholders' funds							
Unitholders' funds of VI - REIT		746,549	738,919	746,549	738,919	-	-
Unitholders' funds of VI-BT		23	28	-	-	23	28
		746,572	**738,947**	**746,549**	**738,919**	**23**	**28**
Stapled Securities/ Units issued and issuable ('000)	13	**975,759**	**934,090**	**975,759**	**934,090**	**975,759**	**934,090**
Net asset value per Stapled Security/ Unit (cents)	14	**76.512**	**79.109**	**76.510**	**79.106**	**0.002**	**0.003**

The accompanying notes form an integral part of these financial statements.

FS1

Statements of Total Return of the Stapled Group and VI-REIT Group
Statement of Comprehensive Income of VI-BT
Year ended 31 December 2017

	Note	Stapled Group 2017 $'000	Stapled Group 2016 $'000	VI-REIT Group 2017 $'000	VI-REIT Group 2016 $'000	VI-BT 2017 $'000	VI-BT 2016 $'000
Gross revenue	15	111,663	95,119	111,663	95,119	-	-
Property expenses	16	(29,857)	(26,641)	(29,857)	(26,641)	-	-
Net property income		**81,806**	**68,478**	**81,806**	**68,478**	**-**	**-**
Rental support/rental arrangement	17	14,719	12,719	14,719	12,719	-	-
REIT Manager's fees	18	(8,743)	(6,163)	(8,743)	(6,163)	-	-
REIT Trustee's fees		(194)	(183)	(194)	(183)	-	-
Amortisation of intangible assets	6	(3,300)	(3,300)	(3,300)	(3,300)	-	-
Other trust expenses	19	(1,468)	(1,077)	(1,463)	(1,071)	(5)	(6)
Finance income		20	55	20	55	-	-
Finance expenses	20	(20,488)	(21,669)	(20,488)	(21,669)	-	-
Net income/(loss)		**62,352**	**48,860**	**62,357**	**48,866**	**(5)**	**(6)**
Change in fair value of investment properties	5	(20,457)	172	(20,457)	172	-	-
Change in fair value of derivative financial instruments		(811)	(4,092)	(811)	(4,092)	-	-
Total return for the year before income tax		**41,084**	**44,940**	**41,089**	**44,946**	**(5)**	**(6)**
Income tax expense	21	(2,481)	(2,145)	(2,481)	(2,145)	-	-
Total return for the year after income tax		**38,603**	**42,795**	**38,608**	**42,801**	**(5)**	**(6)**
Earnings per Stapled Security/Unit (cents)							
Basic	22	3.990	4.885	3.990	4.885	-	-
Diluted	22	3.990	4.885	3.990	4.885	-	-
Distribution per Stapled Security/ Unit (cents)	22	7.472	6.958	7.472	6.958	-	-

The accompanying notes form an integral part of these financial statements.

Viva Industrial Business Trust
Viva Industrial Real Estate Investment Trust and its subsidiary
Viva Industrial Trust
Financial statements
Year ended 31 December 2017

Distribution Statements of the Stapled Group and VI-REIT Group
Year ended 31 December 2017

	Stapled Group		VI-REIT Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Amount available for distribution to holders of Stapled Securities/Units at beginning of the year	9,621	5,109	9,638	5,120
Total return for the year	38,603	42,795	38,608	42,801
Net tax adjustments (Note A)	35,476	18,137	35,476	18,137
Income available for distribution for the year	74,079	60,932	74,084	60,938
Amount available for distribution to holders of Stapled Securities/Units	83,700	66,041	83,722	66,058
Distribution of 1.90 cents per Stapled Security/Unit for the period from 01/07/17 to 30/09/17	(18,432)	-	(18,432)	-
Distribution of 1.861 cents per Stapled Security/Unit for the period from 01/04/17 to 30/06/17	(18,004)	-	(18,004)	-
Distribution of 1.854 cents per Stapled Security/Unit for the period from 01/01/17 to 31/03/17	(17,798)	-	(17,798)	-
Distribution of 1.032 cents per Stapled Security/Unit for the period from 07/11/16 to 31/12/16	(9,612)	-	(9,612)	-
Distribution of 0.728 cents per Stapled Security/Unit for the period from 01/10/16 to 06/11/16	-	(6,320)	-	(6,320)
Distribution of 1.81 cents per Stapled Security/Unit for the period from 01/07/16 to 30/09/16	-	(15,713)	-	(15,713)
Distribution of 1.750 cents per Stapled Security/Unit for the period from 01/04/16 to 30/06/16	-	(15,146)	-	(15,146)
Distribution of 1.638 cents per Stapled Security/Unit for the period from 01/01/16 to 31/03/16	-	(14,138)	-	(14,138)
Distribution of 0.593 cents per Stapled Security/Unit for the period from 27/11/15 to 31/12/15	-	(5,103)	-	(5,103)
	(63,846)	(56,420)	(63,846)	(56,420)
Amount available for distribution to holders of Stapled Securities/Units at end of the year	19,854	9,621	19,876	9,638
Comprising:				
Taxable income	15,448	8,075	15,470	8,092
Tax exempt income	4,406	1,546	4,406	1,546
	19,854	9,621	19,876	9,638

The accompanying notes form an integral part of these financial statements.

FS3

Distribution Statements of the Stapled Group and VI-REIT Group (cont'd)
Year ended 31 December 2017

	Stapled Group		VI-REIT Group	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Note A - Net tax adjustments comprise:				
- REIT Manager's fees paid/payable in Stapled Securities/Units	7,816	5,467	7,816	5,467
- Property Manager's fees paid/payable in Stapled Securities/Units	2,081	2,056	2,081	2,056
- REIT Trustee's fees	194	183	194	183
- Adjustment for recognition of rental income on a straight-line basis over the lease term	(1,587)	(1,626)	(1,587)	(1,626)
- Amortisation of intangible assets	3,300	3,300	3,300	3,300
- Amortisation of debt-related transaction costs	1,882	1,821	1,882	1,821
- Unamortised debt-related transaction costs written off	-	1,890	-	1,890
- Debt prepayment and cancellation fees	-	801	-	801
- Change in fair value of investment properties	20,457	(172)	20,457	(172)
- Change in fair value of derivative financial instruments	811	4,092	811	4,092
- Other non-taxable items	522	325	522	325
Net tax adjustments	35,476	18,137	35,476	18,137

Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group for both financial years were contributed solely by VI-REIT Group as VI-BT was inactive.

Statements of Movements in Unitholders' Funds
Year ended 31 December 2017

	Stapled Group	Unitholders' funds of VI-REIT Group			Unitholders' funds of VI-BT		
	Total $'000	**Units in issue $'000**	**Accumulated profits $'000**	**Total $'000**	**Units in issue $'000**	**Accumulated losses $'000**	**Total $'000**
At 1 January 2016	701,620	644,586	57,003	701,589	42	(11)	31
Operations							
Increase/(decrease) in net assets resulting from operations	42,795	–	42,801	42,801	–	(6)	(6)
Unitholders' transactions							
Issuance of new Units pursuant to private placement	45,000	44,997	–	44,997	3	–	3
Units issued and issuable:							
- As payment of REIT Manager's fees	5,467	5,467	–	5,467	–	–	–
- As payment of Property Manager's fees	2,056	2,056	–	2,056	–	–	–
Issue expenses	(1,571)	(1,571)	–	(1,571)	–	–	–
Distributions to Unitholders	(56,420)	–	(56,420)	(56,420)	–	–	–
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(5,468)	50,949	(56,420)	(5,471)	3	–	3
At 31 December 2016	738,947	695,535	43,384	738,919	45	(17)	28

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Unitholders' Funds (cont'd)
Year ended 31 December 2017

	Stapled Group	Unitholders' funds of VI-REIT Group			Unitholders' funds of VI-BT		
	Total $'000	Units in issue $'000	Accumulated profits $'000	Total $'000	Units in issue $'000	Accumulated losses $'000	Total $'000
At 1 January 2017	738,947	695,535	43,384	738,919	45	(17)	28
Operations							
Increase/(decrease) in net assets resulting from operations	38,603	–	38,608	38,608	–	(5)	(5)
Unitholders' transactions							
Issuance of new Units as partial payment of the purchase consideration for the acquisition of an investment property	23,000	23,000	–	23,000	–	–	–
Units issued and issuable:							
- As payment of REIT Manager's fees	7,816	7,816	–	7,816	–	–	–
- As payment of Property Manager's fees	2,081	2,081	–	2,081	–	–	–
Issue expenses	(29)	(29)	–	(29)	–	–	–
Distributions to Unitholders	(63,846)	–	(63,846)	(63,846)	–	–	–
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(30,978)	32,868	(63,846)	(30,978)	–	–	–
At 31 December 2017	746,572	728,403	18,146	746,549	45	(22)	23

The accompanying notes form an integral part of these financial statements.

Portfolio Statements
As at 31 December 2017

Stapled Group

Description of Property	Leasehold tenure	Remaining lease term at 31/12/2017 (years)	Location	Existing use	Carrying value at 31/12/2017 $'000	Carrying value at 31/12/2016 $'000	Percentage of net assets at 31/12/2017 %	Percentage of net assets at 31/12/2016 %
Investment properties Singapore								
UE BizHub EAST (Business Park Component)	30+30 years from 1 February 2008	50	6 & 8 Changi Business Park Avenue 1	Business park	358,000	355,000	48.0	48.0
UE BizHub EAST (Hotel Component)	30+30 years from 1 February 2008	50	2 & 4 Changi Business Park Avenue 1	Hotel	160,000	160,000	21.4	21.7
Viva Business Park	Plot 1: 60 years from 1 April 1971 in respect of Lot 8134N Mukim 27	13	Blocks 750 to 750E Chai Chee Road	Business park	350,000	353,500	46.8	47.8
	Plot 2: 43 years from 1 March 1988 in respect of Lot 7837V Mukim 27	13						
Mauser Singapore	60 years from 19 July 2006	49	81 Tuas Bay Drive	Logistics	28,000	28,000	3.8	3.8
Jackson Square	60 years from 16 May 1969	11	11 Lorong 3 Toa Payoh	Light industrial	73,200	80,000	9.8	10.8
Jackson Design Hub	30+30 years from 1 May 2007	49	29 Tai Seng Street	Light industrial	33,400	33,400	4.5	4.5
Home-Fix Building	30+30 years from 11 September 2007	50	19 Tai Seng Avenue	Light industrial	47,800	47,800	6.4	6.5
11 Ubi Road 1	30+30 years from 1 September 1995	38	11 Ubi Road 1	Light industrial	85,000	87,000	11.4	11.8
30 Pioneer Road	30 years from 16 February 2007	19	30 Pioneer Road	Logistics	55,000	55,000	7.4	7.4
6 Chin Bee Avenue	30 years from 16 October 2013	26	6 Chin Bee Avenue	Logistics	94,300	-	12.6	-
Investment properties, at valuation					1,284,700	1,199,700	172.1	162.3
Other assets and liabilities (net)					(538,128)	(460,753)	(72.1)	(62.3)
Net assets					**746,572**	**738,947**	**100.0**	**100.0**

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2017

VI-REIT Group

Description of Property	Leasehold tenure	Remaining lease term at 31/12/2017 (years)	Location	Existing use	Carrying value at 31/12/2017 $'000	Carrying value at 31/12/2016 $'000	Percentage of net assets at 31/12/2017 %	Percentage of net assets at 31/12/2016 %
Investment properties Singapore								
UE BizHub EAST (Business Park Component)	30+30 years from 1 February 2008	50	6 & 8 Changi Business Park Avenue 1	Business park	358,000	355,000	48.0	48.0
UE BizHub EAST (Hotel Component)	30+30 years from 1 February 2008	50	2 & 4 Changi Business Park Avenue 1	Hotel	160,000	160,000	21.4	21.7
Viva Business Park	Plot 1: 60 years from 1 April 1971 in respect of Lot 8134N Mukim 27	13	Blocks 750 to 750E Chai Chee Road	Business park	350,000	353,500	46.8	47.8
	Plot 2: 43 years from 1 March 1988 in respect of Lot 7837V Mukim 27	13						
Mauser Singapore	60 years from 19 July 2006	49	81 Tuas Bay Drive	Logistics	28,000	28,000	3.8	3.8
Jackson Square	60 years from 16 May 1969	11	11 Lorong 3 Toa Payoh	Light industrial	73,200	80,000	9.8	10.8
Jackson Design Hub	30+30 years from 1 May 2007	49	29 Tai Seng Street	Light industrial	33,400	33,400	4.5	4.5
Home-Fix Building	30+30 years from 11 September 2007	50	19 Tai Seng Avenue	Light industrial	47,800	47,800	6.4	6.5
11 Ubi Road 1	30+30 years from 1 September 1995	38	11 Ubi Road 1	Light industrial	85,000	87,000	11.4	11.8
30 Pioneer Road	30 years from 16 February 2007	19	30 Pioneer Road	Logistics	55,000	55,000	7.4	7.4
6 Chin Bee Avenue	30 years from 16 October 2013	26	6 Chin Bee Avenue	Logistics	94,300	-	12.6	-
Investment properties, at valuation					1,284,700	1,199,700	172.1	162.3
Other assets and liabilities (net)					(538,151)	(460,781)	(72.1)	(62.3)
Net assets					**746,549**	**738,919**	**100.0**	**100.0**

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2017

Independent valuations of the investment properties as at 31 December 2017 were undertaken by Cushman & Wakefield VHS Pte. Ltd.. Valuations of the investment properties as at 31 December 2016 were undertaken by Savills Valuation and Professional Services (S) Pte Ltd.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The fair values of the investment properties are based on open market values, which are the valuers' opinion of the best price at which the sale of an interest in each property would complete unconditionally for cash consideration on the date of valuation, and are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered the direct comparison method, income capitalisation method and discounted cash flow method in arriving at the open market values of the properties.

At the end of the reporting period, investment properties with an aggregate carrying value of $1.178 billion (2016: $1.086 billion) have been mortgaged as security for loan facilities granted to VI-REIT Group (See Note 10).

Leasing arrangements

Mauser Singapore is leased to a related party of the REIT Manager under a master lease agreement. The lease contains an initial term of approximately 6 years from 4 November 2013 with an option to renew for a further 5 years.

The Hotel Leased Premises of UE BizHub EAST are leased to a single tenant under a hotel lease agreement. The hotel lease contains an initial term of 5 years from 4 November 2013, which will be renewed for a further 5 years, subject to approval by JTC Corporation.

Jackson Design Hub is leased to a single tenant under a master lease agreement for a term of 10 years from 21 November 2014.

Home-Fix Building is leased to a single tenant under a master lease agreement for a term of 10 years from 24 November 2015.

11 Ubi Road 1 is partially leased to a tenant for a term of 10 years from 24 November 2015.

30 Pioneer Road is leased to a single tenant under a master lease agreement for an initial term of 5 years from 15 April 2016 with an option to renew for a further 5 years.

6 Chin Bee Avenue is leased to a single tenant under a master lease agreement for an initial term of 7 years from 16 January 2017 with an option to renew for a further 3 years.

Other properties are leased to multiple tenants for a typical lease term of 2 to 3 years, with an option to renew for a further term upon expiry of the initial term.

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
Year ended 31 December 2017

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash flows from operating activities						
Total return for the year before income tax	41,084	44,940	41,089	44,946	(5)	(6)
Adjustments for:						
Effects of recognising rental income on a straight-line basis over the lease term	(1,587)	(1,626)	(1,587)	(1,626)	-	-
Finance income	(20)	(55)	(20)	(55)	-	-
Finance expenses	20,488	21,669	20,488	21,669	-	-
Change in fair value of investment properties	20,457	(172)	20,457	(172)	-	-
Change in fair value of derivative financial instruments	811	4,092	811	4,092	-	-
Amortisation of intangible assets	3,300	3,300	3,300	3,300	-	-
REIT Manager's fees paid/ payable in Stapled Securities/ Units (Note B.1 below)	7,816	5,467	7,816	5,467	-	-
Property Manager's fees paid/ payable in Stapled Securities/ Units (Note B.1 below)	2,081	2,056	2,081	2,056	-	-
Operating income/(loss) before working capital changes	**94,430**	**79,671**	**94,435**	**79,677**	**(5)**	**(6)**
Changes in working capital:						
Trade and other receivables	(2,203)	(1,494)	(2,203)	(1,494)	-	-
Trade and other payables (Note B.2 below)	1,210	(1,364)	1,211	(1,365)	(1)	1
Cash generated from/(used in) operations	**93,437**	**76,813**	**93,443**	**76,818**	**(6)**	**(5)**
Income tax paid	(2,235)	-	(2,235)	-	-	-
Net cash generated from/ (used in) operating activities	**91,202**	**76,813**	**91,208**	**76,818**	**(6)**	**(5)**
Cash flows from investing activities						
Acquisition of investment property (Note A below)	(73,318)	(52,235)	(73,318)	(52,235)	-	-
Payment of stamp duty for investment properties	(311)	(156)	(311)	(156)	-	-
Capital expenditure incurred (Note B.2 below)	(13,411)	(11,455)	(13,411)	(11,455)	-	-
Deposit pledged	(230)	-	(230)	-	-	-
Interest received	23	62	23	62	-	-
Net cash used in investing activities	**(87,247)**	**(63,784)**	**(87,247)**	**(63,784)**	**-**	**-**

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows (cont'd)
Year ended 31 December 2017

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash flows from financing activities						
Proceeds from issue of new Stapled Securities/Units	-	45,000	-	44,997	-	3
Issue expenses paid	(29)	(1,571)	(29)	(1,571)	-	-
Proceeds from borrowings	93,000	294,000	93,000	294,000	-	-
Repayment of borrowings	(35,000)	(290,000)	(35,000)	(290,000)	-	-
Payment of transaction costs on borrowings	(847)	(5,419)	(847)	(5,419)	-	-
Payment of debt prepayment and cancellation fees	-	(801)	-	(801)	-	-
Finance expenses paid	(18,453)	(16,240)	(18,453)	(16,240)	-	-
Distributions paid to holders of Stapled Securities/Units	(63,846)	(56,420)	(63,846)	(56,420)	-	-
Net cash (used in)/ generated from financing activities	**(25,175)**	**(31,451)**	**(25,175)**	**(31,454)**	**-**	**3**
Net decrease in cash and cash equivalents	**(21,220)**	**(18,422)**	**(21,214)**	**(18,420)**	**(6)**	**(2)**
Cash and cash equivalents at beginning of the year	29,462	47,884	29,428	47,848	34	36
Cash and cash equivalents at end of the year (Note 8)	**8,242**	**29,462**	**8,214**	**29,428**	**28**	**34**

Notes:

(A) Acquisition of Investment Property

Net cash outflow arising from the acquisition of investment property is set out below:

	VI-REIT Group and Stapled Group	
	2017 $'000	2016 $'000
Purchase consideration for investment property	95,339	51,653
Costs directly attributable to the acquisition of investment property	979	582
Partial satisfaction of purchase consideration by way of issuance of new Stapled Securities/Units	(23,000)	-
Net cash outflow	73,318	52,235

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows (cont'd)
Year ended 31 December 2017

(B) Significant Non-Cash Transactions

Note 1 - New Stapled Securities

For the year ended 31 December 2017, an aggregate of 8,776,774 (2016: 7,386,235) new Stapled Securities, amounting to approximately $7,816,000 (2016: $5,467,000), were issued/issuable to the REIT Manager as payment of the REIT Manager's management fees; and an aggregate of 2,407,749 (2016: 2,774,552) new Stapled Securities, amounting to approximately $2,081,000 (2016: $2,056,000), were issued/issuable to the Property Manager as payment of the Property Manager's property management fees and lease management fees.

Note 2 - Capital expenditure incurred

During the financial year, the Stapled Group and the VI-REIT Group incurred $8,828,000 (2016: $23,937,000) of capital expenditure on investment properties and $10,918,000 (2016: $15,501,000) were included in trade and other payables as at the end of the reporting period. Cash payments of $13,411,000 (2016: $11,455,000) were made for capital expenditure during the financial year.

Certain comparatives in the statements of cash flows of the Stapled Group and the VI-REIT Group for the year ended 31 December 2016 have been reclassified between trade and other payables and capital expenditure incurred, resulting in the following:

	Stapled Group		VI-REIT Group	
	Previously reported 2016 $'000	**After reclassification 2016 $'000**	**Previously reported 2016 $'000**	**After reclassification 2016 $'000**
Cash flows from operating activities				
Trade and other payables	11,118	(1,364)	11,117	(1,365)
Net cash generated from operating activities	89,295	76,813	89,300	76,818
Cash flows from investing activities				
Capital expenditure incurred	(23,937)	(11,455)	(23,937)	(11,455)
Net cash used in investing activities	(76,266)	(63,784)	(76,266)	(63,784)

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Trustee-Manager, the REIT Manager and the REIT Trustee on 26 March 2018.

1 General

Viva Industrial Trust ("VIT") is a stapled group (the "Stapled Group") comprising Viva Industrial Real Estate Investment Trust ("VI-REIT") and its subsidiary (collectively, "VI-REIT Group") and Viva Industrial Business Trust ("VI-BT").

VI-REIT is a Singapore-domiciled real estate investment trust constituted pursuant to the trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed") made between Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager") and Perpetual (Asia) Limited (the "REIT Trustee"). The VI-REIT Trust Deed is governed by the laws of the Republic of Singapore. The REIT Trustee is under a duty to take into custody and hold the assets of VI-REIT Group in trust for the holders of units in VI-REIT.

VI-BT is a Singapore-domiciled business trust constituted by a trust deed dated 14 October 2013 (the "VI-BT Trust Deed") and is managed by Viva Asset Management Pte. Ltd. (the "Trustee-Manager").

The registered office of the REIT Manager and the Trustee-Manager is located at 750 Chai Chee Road, #04-03 Viva Business Park, Singapore 469000.

The securities in each of VI-REIT and VI-BT are stapled together under the terms of a stapling deed dated 14 October 2013 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager (the "Stapling Deed") and cannot be traded separately. Each stapled security in Viva Industrial Trust (the "Stapled Security") comprises a unit in VI-REIT (the "VI-REIT Unit") and a unit in VI-BT (the "VI-BT Unit").

Viva Industrial Trust was formally admitted to the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST") on 4 November 2013 (the "Listing Date").

The principal activity of VI-REIT is to invest in a diversified portfolio of income-producing real estates which are used predominantly for business park and other industrial purposes in Singapore and elsewhere in the Asia-Pacific region, as well as real estate-related assets in connection with the foregoing, with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. In 2014, VI-REIT established a wholly-owned subsidiary, Viva iTrust MTN Pte. Ltd., to establish and act as the issuer of a $500 million Multicurrency Medium Term Note ("MTN") Programme. At the end of the reporting period, VI-BT remains inactive.

The consolidated financial statements of the Stapled Group comprise the financial statements of VI-BT and VI-REIT Group.

The immediate and ultimate holding companies of the Stapled Group are Leading Wealth Global Inc., incorporated in the British Virgin Islands, and Shanghai Summit (Group) Co., Ltd. (上海长峰(集团)有限公司), incorporated in the People's Republic of China, respectively.

Several service agreements were entered into in relation to the management of VI-BT and VI-REIT, and its property operations. The fee structures of these services are as follows:

(i) Fees Payable to the Trustee-Manager

Management Fees Payable to the Trustee-Manager

Under the VI-BT Trust Deed, the Trustee-Manager is entitled to the following management fees payable in the event that VI-BT becomes active:

- a Business Trust ("BT") Base Fee of 10.0% per annum of the Distributable Income of VI-BT (as defined in the VI-BT Trust Deed) (calculated before accounting for the BT Base Fee and BT Performance Fee); and

- a BT Performance Fee equal to 25.0% per annum of the difference in Distribution per Stapled Security ("DPS") of VIT in a financial year with the DPS of VIT in the preceding financial year (calculated before accounting for the REIT Performance Fee and BT Performance Fee but after accounting for the REIT Base Fee and BT Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The BT Performance Fee is payable if the DPS of VIT in respect of a financial year exceeds the DPS of VIT in the preceding financial year, notwithstanding that the DPS of VIT in the financial year where the BT Performance Fee is payable may be less than the DPS of VIT in any financial year prior to the preceding financial year.

There should be no double-counting of fees in the event that both the REIT Manager and the Trustee-Manager are entitled to the Base Fee and the Performance Fee. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of VI-REIT and VI-BT in the Performance Fee.

For the avoidance of doubt, the maximum Base Fee payable to both the REIT Manager and the Trustee-Manager collectively is 10.0% per annum of the Distributable Income of VIT and the maximum Performance Fee payable to both the REIT Manager and the Trustee-Manager collectively is 25.0% per annum of the difference in DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The Trustee-Manager may elect to receive the BT Base Fee and the BT Performance Fee in cash or Stapled Securities or a combination of cash and Stapled Securities (as it may in its sole discretion determine). Any portion of the fees payable in the form of Stapled Securities shall be payable quarterly in arrears and any portion of the fees payable in cash shall be payable monthly in arrears.

Acquisition Fee and Divestment Fee Payable to the Trustee-Manager

The Trustee-Manager is also entitled to:

- an acquisition fee of 1.0% of any of the following as is applicable (subject to there being no double-counting):

  (i) in relation to an acquisition (whether directly or indirectly through one or more Special Purpose Vehicles ("SPVs") of VI-BT) of any real estate, the acquisition price of any real estate purchased by VI-BT, plus any other payments in addition to the acquisition price made by VI-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of VI-BT's interest);

  (ii) in relation to an acquisition (whether directly or indirectly through one or more SPVs of VI-BT) of any SPV or holding entity which holds real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the acquisition from the vendor of the equity interests in any vehicle holding, directly or indirectly, the real estate purchased by VI-BT, plus any additional payments made by VI-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of VI-BT's interest); or

  (iii) the acquisition price of any investment by VI-BT, whether directly or indirectly through one or more SPVs of VI-BT, in any debt securities of any property corporation or other SPV owning or acquiring real estate.

- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):

  (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by VI-BT (plus any other payments in addition to the sale price received by VI-BT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated if applicable to the proportion of VI-BT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding, directly or indirectly, the real estate being sold or divested, whether directly or indirectly through one or more SPVs, by VI-BT (plus any additional payments received by VI-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated if applicable to the proportion of VI-BT's interest); or

  (iii) the sale price of any investment sold or divested by VI-BT, whether directly or indirectly through one or more SPVs of VI-BT, in any debt securities of any property corporation or other SPVs owning or acquiring real estate.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of VI-BT shall be paid by the Trustee-Manager out of the VI-BT Trust Property and not by the Trustee-Manager to such persons.

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities (as the Trustee-Manager may elect) provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee shall be in the form of Stapled Securities at prevailing market price(s) instead of cash. The Stapled Securities issued to the Trustee-Manager as its acquisition or divestment fee shall not be sold within one year from the date of their issuance.

Development Management Fee Payable to the Trustee-Manager

The Trustee-Manager is entitled to development management fees equivalent to 3.0% of the Total Project Costs (as defined in the VI-BT Trust Deed) incurred in a Development Project (as defined in the VI-BT Trust Deed) undertaken by the Trustee-Manager on behalf of VI-BT.

Trustee Fee Payable to the Trustee-Manager

Under the VI-BT Trust Deed, the Trustee-Manager is entitled to a trustee fee in cash of up to 0.03% per annum of the value of the VI-BT Trust Property, provided that the value of the VI-BT Trust Property is at least $50.0 million.

For the purpose of calculating the trustee fee, if VI-BT holds only a partial interest in any of the VI-BT Trust Property, such VI-BT Trust Property shall be pro-rated in proportion to the partial interest held.

The trustee fee shall be payable in arrears on a monthly basis in the form of cash.

(ii) REIT Trustee's fee

Under the VI-REIT Trust Deed, the REIT Trustee's fee is presently charged on a scaled basis of up to 0.015% per annum of the value of VI-REIT's Deposited Property, subject to a minimum of $15,000 per month. The actual fee payable will be determined between the REIT Manager and the REIT Trustee from time to time.

(iii) Fees Payable to the REIT Manager

Management Fees Payable to the REIT Manager

Pursuant to Clause 15.1 of the VI-REIT Trust Deed, the REIT Manager is entitled to the following management fees:

- a REIT Base Fee, being a fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the Distributable Income of VI-REIT (as defined in the VI-REIT Trust Deed) (calculated before accounting for the REIT Base Fee and the REIT Performance Fee); and

- a REIT Performance Fee, being a fee equal to a rate of 25.0% per annum of the difference in DPS of VIT in a financial year with the DPS of VIT in the preceding financial year (calculated before accounting for the REIT Performance Fee and the BT Performance Fee but after accounting for the REIT Base Fee and the BT Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The REIT Performance Fee is payable if the DPS of VIT in respect of a financial year exceeds the DPS of VIT in the preceding financial year, notwithstanding that the DPS of VIT in the financial year where the REIT Performance Fee is payable may be less than the DPS of VIT in any financial year prior to the preceding financial year.

There should be no double-counting of fees in the event that both the REIT Manager and the Trustee-Manager are entitled to the Base Fee and the Performance Fee. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of VI-REIT and VI-BT in the Performance Fee. For the avoidance of doubt, the maximum Base Fee payable to both the REIT Manager and the Trustee-Manager collectively is 10.0% per annum of the Distributable Income of VIT and the maximum Performance Fee payable to both the REIT Manager and the Trustee-Manager collectively is 25.0% per annum of the difference in DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The REIT Manager may elect to receive the REIT Base Fee and the REIT Performance Fee in cash or Stapled Securities or a combination of cash and Stapled Securities (as it may in its sole discretion determine).

Any portion of the REIT Base Fee payable in the form of Stapled Securities shall be payable quarterly in arrears and any portion of the REIT Base Fee payable in cash shall be payable monthly in arrears. The REIT Performance Fee crystallises only once a year and shall be payable annually in arrears.

Acquisition Fee and Divestment Fee Payable to the REIT Manager

Pursuant to Clause 15.2 of the VI-REIT Trust Deed, the REIT Manager is also entitled to:

- an acquisition fee at the rate of 1.0% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) in relation to an acquisition (whether directly or indirectly through one or more SPVs of VI-REIT) of any real estate, the acquisition price of any real estate purchased by VI-REIT, plus any other payments in addition to the acquisition price made by VI-REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of VI-REIT's interest);

  (ii) in relation to an acquisition (whether directly or indirectly through one or more SPVs of VI-REIT) of any SPV or holding entity which holds real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the acquisition from the vendor of the equity interests in any vehicle holding, directly or indirectly, the real estate purchased by VI-REIT, plus any additional payments made by VI-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of VI-REIT's interest); or

  (iii) the acquisition price of any investment by VI-REIT, whether directly or indirectly through one or more SPVs of VI-REIT, in any debt securities of any property corporation or other SPV owning or acquiring real estate.

- a divestment fee at the rate of 0.5% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by VI-REIT (plus any other payments in addition to the sale price received by VI-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated if applicable to the proportion of VI-REIT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding, directly or indirectly, the real estate being sold or divested, whether directly or indirectly through one or more SPVs, by VI-REIT (plus any additional payments received by VI-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated if applicable to the proportion of VI-REIT's interest); or

  (iii) the sale price of any investment sold or divested by VI-REIT, whether directly or indirectly through one or more SPVs of VI-REIT, in any debt securities of any property corporation or other SPVs owning or acquiring real estate.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of VI-REIT shall be paid by the REIT Manager out of the VI-REIT Deposited Property and not by the REIT Manager to such persons.

The acquisition fee and divestment fee are payable to the REIT Manager in the form of cash and/or Stapled Securities (as the REIT Manager may elect) provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee shall be in the form of Stapled Securities at prevailing market price(s) instead of cash. The Stapled Securities issued to the REIT Manager as its acquisition or divestment fee shall not be sold within one year from the date of their issuance.

Development Management Fee Payable to the REIT Manager

Pursuant to Clause 15.6 of the VI-REIT Trust Deed, the REIT Manager is entitled to a development management fee equivalent to 3.0% of the Total Project Costs (as defined in the VI-REIT Trust Deed) incurred in a Development Project (as defined in the VI-REIT Trust Deed) undertaken by the REIT Manager on behalf of VI-REIT.

Subject to the Property Funds Appendix, the development management fee shall be payable to the REIT Manager in the form of cash. The development management fee is payable in equal monthly instalments over the construction period of each Development Project based on the REIT Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs is finalised. For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project.

(iv) Property Manager's fee

Property and lease management fees

Under the property management agreement dated 14 October 2013 (the "Property Management Agreement") between VI-REIT and Viva Real Estate Asset Management Pte. Ltd. (the "Property Manager"), the Property Manager is entitled to the following management fees on each property of VI-REIT located in Singapore under its management:

- a property management fee of 2.0% per annum of the gross revenue of each property, except for the Hotel Leased Premises of UE BizHub EAST for which property management fee is based on 1.0% per annum of its gross revenue; and

- a lease management fee of 1.0% per annum of the gross revenue of each property, except for the Hotel Leased Premises of UE BizHub EAST for which no lease management fee is payable to the Property Manager.

The Property Manager has waived its right to the lease management fee in respect of UE BizHub EAST and Mauser Singapore for the first three years from the Listing Date.

The Property Manager may elect to receive the property and lease management fees in cash or Stapled Securities or a combination of cash and Stapled Securities (as it may in its sole discretion determine). Any portion of the fees payable in the form of Stapled Securities shall be payable quarterly in arrears and any portion of the fees payable in cash shall be payable monthly in arrears.

Marketing services fee

The Property Manager is entitled to the following marketing services commissions:

- up to one month's gross rent inclusive of service charge, for securing a tenancy of three years or less;

- up to two months' gross rent inclusive of service charge, for securing a tenancy of more than three years;

- up to 0.5 month's gross rent inclusive of service charge, for securing a renewal of tenancy of three years or less; and

- up to one month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than three years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commission payable to such third party agent, and the Property Manager will be entitled to the following marketing services commissions:

- up to 1.2 months' gross rent inclusive of service charge, for securing a tenancy of three years or less; and

- up to 2.4 months' gross rent inclusive of service charge, for securing a tenancy of more than three years.

The marketing services fee is payable to the Property Manager in cash.

Project management fee

The Property Manager is entitled to the following fees in relation to the refurbishment, retrofitting and renovation works on a property:

- a fee of 3.0% of the construction costs, where the construction costs are $2.0 million or less;
- a fee of 2.0% of the construction costs or $60,000, whichever is the higher, where the construction costs exceed $2.0 million but do not exceed $20.0 million;
- a fee of 1.5% of the construction costs or $400,000, whichever is the higher, where the construction costs exceed $20.0 million but do not exceed $50.0 million; and
- a fee of 1.4% of the construction costs or $750,000, whichever is the higher, where the construction costs exceed $50.0 million.

The project management fee is payable to the Property Manager in cash.

Property tax services fee

In relation to the services provided in respect of property tax objections submitted to the tax authorities on any proposed annual value of a property, the Property Manager is entitled to the following fees if as a result of such objections, the proposed annual value of a property is reduced, resulting in property tax savings for VI-REIT:

- if the proposed annual value is reduced by $1.0 million or less, 7.5% of the property tax savings;
- if the proposed annual value is reduced by more than $1.0 million but less than $5.0 million, 5.5% of the property tax savings; and
- if the proposed annual value is reduced by more than $5.0 million, 5.0% of the property tax savings.

The property tax services fee is payable to the Property Manager in cash.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of VI-BT are prepared in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "Act") and Financial Reporting Standards in Singapore ("FRS").

The consolidated financial statements of VI-REIT Group and the Stapled Group are prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the VI-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of FRS.

2.2 Basis of accounting

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Stapled Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the functional currency of VI-BT and VI-REIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the accounting policies

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amount recognised in the financial statements, apart from those involving estimation (see below).

Key sources of estimation uncertainty

(a) Valuation of investment properties

The Stapled Group carries its investment properties at fair value, with changes in fair values being recognised in the statement of total return. The fair values of investment properties are determined by independent real estate valuation experts using recognised valuation techniques. The determination of the fair values of the investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery and the overall physical condition of the properties) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of each reporting period. The carrying amounts and key assumptions used to determine the fair values of the investment properties are further explained in Notes 5 and 27. The REIT Manager is of the view that the valuation methods and estimates are reflective of the current market conditions.

(b) Valuation of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined by valuation models. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported fair values of financial instruments. The valuation of financial instruments is described in more details in Notes 12 and 27.

3 Significant accounting policies

The accounting policies set out below have been applied by VI-BT, VI-REIT Group and the Stapled Group consistently to the periods presented in these financial statements.

3.1 Consolidation

Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the purchase method except where the entities entering into the stapling arrangement are entities under common control, in which case, the stapling arrangement is accounted for as a business combination under common control, in a manner similar to the pooling of interest method.

Subsidiary

A subsidiary is an entity controlled by VI-REIT Group. VI-REIT Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of VI-REIT Group and the Stapled Group.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Stapled Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate prevailing at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of total return.

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return or profit or loss (as the case may be). The cost of a purchased property comprises its purchase price and any directly attributable expenditure including transaction costs. The fair values of investment properties are determined based on the valuations undertaken by independent registered valuers at least once a year.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property) is recognised in the statement of total return in the period in which the investment property is derecognised.

Investment properties are not depreciated. Investment properties are subject to continued maintenance and are regularly revalued on the basis set out above.

3.4 Intangible assets

Intangible assets are measured initially at cost. Following the initial recognition, the intangible assets are measured at cost less any accumulated amortisation and impairment losses.

The intangible assets are amortised in the statement of total return on a systematic basis over their estimated useful lives of two years and five years. The intangible assets are tested for impairment as described in Note 3.6.

3.5 Financial instruments

Financial assets and financial liabilities are recognised when the Stapled Group becomes a party to the contractual provisions of the instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Interest income or expense is recognised on an effective interest basis for debt instruments.

Non-derivative financial assets

Financial assets are initially measured at fair value. Transaction costs, including front-end fees and commitment fees, that are directly attributable to the acquisition or issue of financial assets (other than financial assets designated at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement of total return or profit or loss (as the case may be).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. The Stapled Group initially recognises loans and receivables on the date that they are originated. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest is recognised by applying the effective interest method, except for short-term receivables where the effect of discounting is immaterial.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash and bank balances that are subject to an insignificant risk of changes in value.

Derecognition of financial assets

The Stapled Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Stapled Group is recognised as a separate asset or liability.

If the Stapled Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, the Stapled Group recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the Stapled Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Stapled Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Non-derivative financial liabilities

The Stapled Group initially recognises financial liabilities (including liabilities designated at fair value through statement of total return or profit or loss (as the case may be)) on the trade date, which is the date that the Stapled Group becomes a party to the contractual provisions of the instrument.

The Stapled Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise borrowings, trade and other payables, and rental deposits.

Borrowing

Borrowing is initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to expenses over the period of borrowing using the effective interest method.

Borrowing is presented as a current liability unless the Stapled Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case, they are presented as non-current liabilities.

Derecognition of financial liabilities

The Stapled Group derecognises a financial liability when its contractual obligations are discharged or cancelled or when they expire.

Derivative financial instruments

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return or profit or loss (as the case may be) when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the statement of total return or profit or loss (as the case may be). Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivatives are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return or profit or loss (as the case may be).

Offsetting arrangement

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Stapled Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Equity instruments

Classification as debt or equity

Debt and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Stapled Group entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

3.6 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through the statement of total return or profit or loss (as the case may be) is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Stapled Group on terms that the Stapled Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Stapled Group considers evidence of impairment for loans and receivables at specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Stapled Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return or profit or loss (as the case may be) and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Stapled Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return or profit or loss (as the case may be) not exceeding what the amortised cost would have been had the impairment not been recognised.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Non-financial assets

The carrying amounts of the Stapled Group's non-financial assets, other than investment properties, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return or profit or loss (as the case may be).

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Unitholders' funds

Unitholders' funds of the Stapled Group comprise unitholders' funds of VI-BT and VI-REIT Group. Unitholders' funds are classified as equity.

Issue expenses relate to expenses incurred in connection with the issue of Stapled Securities and are deducted directly against the unitholders' funds.

3.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services and facilities provided in the ordinary course of business, net of discount.

Rental income from operating leases

Rental income from operating leases is recognised in the statement of total return or profit or loss (as the case may be) on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Variable rentals are recognised as income in the accounting period in which they are earned and the amount can be measured reliably.

Service charges and other income

Service charges and other income, which consist of payments in respect of the operation of the properties which are payable by the tenants, are recognised as income when the services and facilities are provided.

3.9 Finance income and finance expense

Finance income comprises interest income and net gains on hedging instruments that are recognised in the statement of total return or profit or loss (as the case may be). Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings, amortisation of debt-related transaction costs, and net losses on hedging instruments that are recognised in the statement of total return or profit or loss (as the case may be). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of total return or profit or loss (as the case may be) using the effective interest method.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return or profit or loss (as the case may be) except to the extent that they relate to items recognised directly in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Stapled Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Stapled Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Stapled Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Stapled Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of VI-REIT for income earned and expenditure incurred after its listing on SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes the distribution of at least 90% of VI-REIT's taxable income, VI-REIT will not be taxed on the portion of its taxable income that is distributed to holders of VI-REIT Units ("Unitholders"). Any portion of VI-REIT's taxable income that is not distributed to Unitholders will be taxed at VI-REIT's level. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of VI-REIT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Although VI-REIT is not taxed on the portion of its taxable income that is distributed to Unitholders, the REIT Trustee and the REIT Manager are required to withhold income tax at the applicable corporate tax rates from the distributions of such taxable income (i.e. which has not been taxed in the hands of the REIT Trustee) to certain Unitholders.

Qualifying Unitholders are entitled to receive gross distributions of taxable income from VI-REIT. For distributions of VI-REIT's taxable income made to qualifying non-resident non-individual Unitholders during the period up to 31 March 2020, the REIT Trustee and the REIT Manager are required to withhold income tax at the reduced concessionary tax rate of 10% from such distributions made. For other types of Unitholders, the REIT Trustee and the REIT Manager are required to withhold income tax at the prevailing corporate tax rate from the distributions of taxable income made by VI-REIT. Such other types of Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate by the REIT Trustee.

A qualifying Unitholder refers to a unitholder who is:

- an individual;
- a company incorporated and resident in Singapore;
- a Singapore branch of a company incorporated outside Singapore;
- a body of persons incorporated or registered in Singapore, including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333); or
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

A qualifying non-resident non-individual Unitholder refers to a unitholder who:

- does not have any permanent establishment in Singapore; or
- carries on any operation through a permanent establishment in Singapore, where the funds used by that person to acquire the units in VI-REIT are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from the disposal of any properties such as immovable properties and shares that are determined by the IRAS to be revenue gains chargeable to tax; and income derived by VI-REIT but not distributed to the Unitholders in the same year in which the income is derived. Such gains or profits will be subject to tax in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134) and the resultant tax will be collected from the REIT Trustee.

Distributions made out of after-tax amounts will not be subject to any further tax. Where the disposal gains are regarded as capital in nature, such gains will not be subject to tax and the REIT Trustee and the REIT Manager may distribute the capital gains without tax being deducted at source.

3.11 Segment reporting

An operating segment is a component of the Stapled Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that arise from transactions with any of the other components of the Stapled Group. All operating segments' operating results are reviewed regularly by the Board of Directors of the REIT Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.12 Adoption of new and revised standards

On 1 January 2017, the Stapled Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Stapled Group's accounting policies and has no material effect on the amounts reported for the current or prior years, except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*. Please refer to Note 9 for the disclosure of reconciliation of liabilities arising from financing activities.

3.13 New standards and interpretations not adopted

At the date of authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the Stapled Group were issued but not effective:

- FRS 109 *Financial Instruments* [(1)]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* [(1)]
- FRS 116 *Leases* [(2)]
- Amendments to FRS 40 *Transfers of Investment Property* [(1)]

[(1)] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

[(2)] Applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities; (ii) general hedge accounting; and (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt instruments and equity investments are measured at fair value through profit or loss ("FVTPL") at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The REIT Manager has evaluated the potential impact of the application of FRS 109 on the financial statements of the Stapled Group in the period of initial adoption and does not expect significant impact from adopting the above standard other than additional disclosure requirements.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

The REIT Manager has evaluated the potential impact of the application of FRS 115 on the financial statements of the Stapled Group in the period of initial adoption and does not expect significant impact from adopting the above standard other than additional disclosure requirements.

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance. The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

In cases where the Stapled Group is a lessor, the REIT Manager does not anticipate that the application of FRS 116 on the financial statements of the Stapled Group in the period of initial adoption will have a significant impact from adopting the standard other than additional disclosure requirements.

Amendments to FRS 40 *Transfers of Investment Property*

The amendments:

- retain the requirement that a transfer into, or out of, investment property can be made when, and only when, evidence of a change of use of the property exists.

- clarify that the current list of events in the Standard constituting evidence of a change of use has occurred are only examples.

The REIT Manager has evaluated the potential impact of the application of the amendments to FRS 40 on the financial statements of the Stapled Group in the period of initial adoption and does not expect significant impact from adopting the above amendments.

4 Subsidiary

Investment in a subsidiary is stated in VI-REIT's statement of financial position at cost less accumulated impairment losses.

	VI-REIT	
	2017	**2016**
	$'000	**$'000**
Unquoted equity investment, at cost	*	*

* Denotes an amount of $1

Details of the subsidiary are as follows:

Name of subsidiary	**Principal activities**	**Country of incorporation**	**Effective equity interest held**	
			2017	**2016**
			%	**%**
Held through VI-REIT				
Viva iTrust MTN Pte. Ltd.*	To establish and act as the issuer of a MTN Programme	Singapore	100	100

* Audited by Deloitte & Touche LLP

5 Investment properties

	Stapled Group		VI-REIT Group		VI-BT	
	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000
At beginning of the year	1,199,700	1,123,200	1,199,700	1,123,200	-	-
Acquisition of investment property	95,339	51,653	95,339	51,653	-	-
Acquisition related costs	979	582	979	582	-	-
	96,318	52,235	96,318	52,235	-	-
Stamp duty	311	156	311	156	-	-
Capital expenditure	8,828	23,937	8,828	23,937	-	-
Change in fair value	(20,457)	172	(20,457)	172	-	-
At end of the year	1,284,700	1,199,700	1,284,700	1,199,700	-	-

The investment properties are stated at fair value based on the independent valuations undertaken by Cushman & Wakefield VHS Pte. Ltd. as at 31 December 2017. Valuations of the investment properties as at 31 December 2016 were undertaken by Savills Valuation and Professional Services (S) Pte Ltd. The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

In determining the fair values of the investment properties, the independent valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The fair values of the properties are based on open market values, which are the valuers' opinion of the best price at which the sale of an interest in each property would complete unconditionally for cash consideration on the date of valuation, and are prepared in accordance with recognised appraisal and valuation standards. The valuers have considered the direct comparison method, income capitalisation method and discounted cash flow method in arriving at the open market values of the properties. The key unobservable inputs are disclosed in Note 27 to the financial statements.

The net change in fair value of the investment properties has been recognised in the statement of total return in accordance with the accounting policies of the Stapled Group.

At the end of the reporting period, investment properties with an aggregate carrying amount of $1,178,100,000 (2016: $1,086,300,000) are pledged as security to secure borrowings (see Note 10).

6 Intangible assets

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cost						
At beginning and end of the year	18,300	18,300	18,300	18,300	–	–
Accumulated amortisation						
At beginning of the year	12,222	8,922	12,222	8,922	–	–
Amortisation	3,300	3,300	3,300	3,300	–	–
At end of the year	15,522	12,222	15,522	12,222	–	–
Carrying amount						
At beginning of the year	6,078	9,378	6,078	9,378	–	–
At end of the year	2,778	6,078	2,778	6,078	–	–

Intangible assets represent the contractual rights of VI-REIT to receive payments from the respective vendors of UE BizHub EAST and Viva Business Park, which are determined in accordance with the respective sale and purchase agreements entered into with the respective vendors, net of accumulated amortisation and impairment losses. The rental differential is amortised on a straight-line basis over the respective rental guarantee periods of five years for the Business Park component of UE BizHub EAST and two years for Viva Business Park, commencing from the Listing Date. The intangible assets pertaining to Viva Business Park had been fully amortised as at 31 December 2015.

7 Trade and other receivables

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade receivables	2,011	980	2,011	980	–	–
Other receivables	618	650	618	650	–	–
	2,629	1,630	2,629	1,630	–	–
Refundable deposits	874	824	874	824	–	–
Property tax recoverable from third parties	4,757	5,241	4,757	5,241	–	–
Loans and receivables	8,260	7,695	8,260	7,695	–	–
Accrued revenue	6,015	4,422	6,015	4,422	–	–
Prepayments and deferred expenses	7,170	5,549	7,170	5,549	–	–
	21,445	17,666	21,445	17,666	–	–

The REIT Manager is of the opinion that there is no impairment loss arising from these outstanding balances.

The aging of trade and other receivables, which were not impaired, at the end of the reporting period was as follows:

	Gross 2017 $'000	Gross 2016 $'000
VI-REIT Group and Stapled Group		
Less than 3 months	2,321	1,420
More than 3 months but less than 6 months	192	103
More than 6 months but less than 12 months	3	101
More than 12 months	113	6
Past due but not impaired	2,629	1,630

8 Cash and cash equivalents

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash at bank	8,242	19,462	8,214	19,428	28	34
Fixed deposits	1,230	11,000	1,230	11,000	–	–
	9,472	30,462	9,444	30,428	28	34
Less: Pledged deposits	(1,230)	(1,000)	(1,230)	(1,000)	–	–
Cash and cash equivalents in statement of cash flows	8,242	29,462	8,214	29,428	28	34

Fixed deposits bear interest at fixed rates ranging from 0.35% to 1.20% (2016: 0.50% to 1.45%) per annum, with tenures ranging from 90 days to 1 year (2016: 7 days to 1 year).

Deposits pledged represent bank balances pledged as security to obtain credit facilities (See Note 10).

9 Reconciliation of liabilities arising from financing activities

The table below details changes in the Stapled Group's and VI-REIT Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Stapled Group's and VI-REIT Group's statement of cash flows as cash flows from financing activities.

VI-REIT Group and Stapled Group	**1 January 2017 $'000**	**Financing cash flows (i) $'000**	**Amortisation of debt-related transaction costs $'000**	**Fair value adjustments (Note 12) $'000**	**31 December 2017 $'000**
Interest-bearing borrowings (Note 10)	461,509	57,153	1,882	-	520,544
Derivative financial instruments (Note 12)	1,778	-	-	811	2,589
	463,287	57,153	1,882	811	523,133

(i) The cash flows make up the net amount of (a) proceeds from borrowings; (b) repayment of borrowings; and (c) payment of transaction costs on borrowings in the statements of cash flows.

10 Interest-bearing borrowings

	Stapled Group		**VI-REIT Group**		**VI-BT**	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**
Secured borrowings	425,000	367,000	425,000	367,000	-	-
Less: Unamortised debt-related transaction costs	(4,226)	(4,946)	(4,226)	(4,946)	-	-
	420,774	362,054	420,774	362,054	-	-
Unsecured borrowings	100,000	100,000	100,000	100,000	-	-
Less: Unamortised debt-related transaction costs	(230)	(545)	(230)	(545)	-	-
	99,770	99,455	99,770	99,455	-	-
Total borrowings (net of transaction costs)	520,544	461,509	520,544	461,509	-	-
Maturity of borrowings						
- Current	99,770	-	99,770	-	-	-
- Non-current	420,774	461,509	420,774	461,509	-	-
	520,544	461,509	520,544	461,509	-	-

Terms and debt repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Year of maturity		Face value		Carrying amount	
	2017	2016	2017 $'000	2016 $'000	2017 $'000	2016 $'000
VI-REIT Group and Stapled Group						
Secured borrowings						
Term Loan Facility I (i)						
- Term loan facility A	2020	2020	140,000	140,000	138,911	138,393
- Term loan facility B	2021	2021	140,000	140,000	138,413	137,898
- Revolving Credit Facility	2020	2020	15,000	14,000	14,612	13,427
Term Loan Facility II (ii)	2020	2020	73,000	73,000	72,506	72,336
Term Loan Facility III (iii)	2022	-	22,000	-	21,738	-
Term Loan Facility IV (iv)	2022	-	35,000	-	34,594	-
Unsecured borrowings						
Medium Term Notes	2018	2018	100,000	100,000	99,770	99,455
			525,000	467,000	520,544	461,509

Secured borrowings

(i) VI-REIT Group has in place a Singapore dollar denominated senior 4-year secured term loan facility A and a Singapore dollar denominated senior 5-year secured term loan facility B, each amounting to $140 million (2016: $140 million), from a syndicate of lenders (the "Syndicated Lenders") (the "Term Loan Facilities"). In addition, VI-REIT Group has in place a committed revolving credit facility of $50 million (2016: $50 million) from the Syndicated Lenders (the "Revolving Credit Facility", together with the Term Loan Facilities, the "Term Loan Facility I").

The Term Loan Facility I bears interest at rates based on the aggregate of a margin plus Singapore dollar Swap Offer Rate ("SOR") per annum and is secured by way of the following:

- mortgages over UE BizHub EAST, Viva Business Park and Mauser Singapore (the "Term Loan Facility I Mortgaged Properties");
- a debenture creating fixed and floating charges on all present and future assets in relation to the Term Loan Facility I Mortgaged Properties and replacement properties (if any);
- an assignment of the relevant lease agreements, acquisition agreement, services agreement, rental support arrangement, bankers' guarantees and other key agreements in relation to the Term Loan Facility I Mortgaged Properties;
- an assignment of all tenancy agreements, sale agreements (including sale proceeds and rental proceeds), certain bank accounts and all sums from time to time which VI-REIT Group is entitled to receive from the Term Loan Facility I Mortgaged Properties; and

- an assignment of all insurance policies (including insurance proceeds) in relation to the Term Loan Facility I Mortgaged Properties.

At the end of the reporting period, $280 million (2016: $280 million) in aggregate of the Term Loan Facilities has been fully drawn down and $15 million (2016: $14 million) of the Revolving Credit Facility has been utilised.

(ii) VI-REIT Group has in place a Singapore dollar denominated senior 5-year secured bilateral term loan facility amounting to $73 million (2016: $73 million) (the "Term Loan Facility II").

The Term Loan Facility II bears interest at a rate which is based on the aggregate of a margin plus SOR per annum and is secured by way of the following:

- a mortgage over 11 Ubi Road 1, and a deed of assignment of the building agreement (together with a mortgage-in-escrow) in relation to Home-Fix Building (11 Ubi Road 1 and Home-Fix Building collectively known as the "Term Loan Facility II Mortgaged Properties");
- a debenture creating fixed and floating charges on all present and future assets in relation to the Term Loan Facility II Mortgaged Properties;
- an assignment of the relevant lease agreements and acquisition agreements in relation to the Term Loan Facility II Mortgaged Properties;
- an assignment of the relevant sale agreements (including sale proceeds), insurance policies, tenancy agreements (including tenancy proceeds) and bankers' guarantees given, in each case, in relation to the Term Loan Facility II Mortgaged Properties;
- charges over the rental proceeds accounts and a sale proceeds account in relation to the Term Loan Facility II Mortgaged Properties; and
- a charge over a fixed deposit of $1.0 million (2016: $1.0 million) (Note 8).

At the end of the reporting period, the Term Loan Facility II of $73 million (2016: $73 million) has been fully drawn down.

(iii) VI-REIT Group has in place a Singapore dollar denominated senior 5-year secured bilateral term loan facility amounting to $22 million (2016: $22 million) (the "Term Loan Facility III").

The Term Loan Facility III bears interest at a rate which is based on the aggregate of a margin plus SOR per annum and is secured by way of the following:

- a mortgage over 30 Pioneer Road; and
- an assignment and charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of the tenancy agreements, the bank guarantees, the rental proceeds and the tenancy account, in each case, in relation to 30 Pioneer Road.

At the end of the reporting period, the Term Loan Facility III of $22 million (2016: $Nil) has been fully drawn down.

(iv) VI-REIT Group has in place a Singapore dollar denominated senior 5-year secured bilateral term loan facility amounting to $35 million (2016: $Nil) (the "Term Loan Facility IV", and together with Term Loan Facility I, Term Loan Facility II and Term Loan Facility III, the "Credit Facilities").

The Term Loan Facility IV bears interest at a rate which is based on the aggregate of a margin plus SOR per annum and is secured by way of the following:

- a mortgage over 6 Chin Bee Avenue;
- an assignment of all of VI-REIT's rights, benefits, title and interest in, under and arising out of all policies and contracts of insurance (other than public liability insurance), in each case, in relation to 6 Chin Bee Avenue;
- an assignment and charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of, *inter alia*, sale agreements, tenancy agreements, performance guarantees, sale proceeds, rental proceeds, sale proceeds account and tenancy account, in each case, in relation to 6 Chin Bee Avenue; and
- a charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of a debt service reserve account of $230,000 (2016: $Nil) (Note 8) as at the end of the reporting period.

At the end of the reporting period, the Term Loan Facility IV of $35 million (2016: $Nil) has been fully drawn down.

Interest rates of the outstanding Credit Facilities are repriced on a monthly or quarterly basis. VI-REIT Group has entered into interest rate swaps to fix the interest rates for 80.7% (2016: 87.2%) of the outstanding Credit Facilities as at the end of the reporting period (see Note 12).

Unsecured borrowings

On 28 August 2014, VI-REIT, through its wholly-owned subsidiary, Viva iTrust MTN Pte. Ltd. (the "Issuer"), established a $500 million Multicurrency MTN Programme (the "MTN Programme"). Under the MTN Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the "Notes") denominated in Singapore dollars and/or any other currencies.

The Notes may be issued in one or more tranches, on the same or different issue dates. Each tranche of Notes may be issued in various amounts and tenors, and may bear fixed, floating, or variable rates of interest. Hybrid Notes or zero coupon Notes may also be issued under the MTN Programme. The maximum aggregate principal amount of the Notes outstanding at any time shall be $500 million, or such higher amount as may be determined pursuant to the MTN Programme.

The payment of all amounts payable in respect of the Notes will be unconditionally and irrevocably guaranteed by the REIT Trustee, as guarantor of the MTN Programme.

On 19 September 2014, the Issuer issued $100 million in principal amount of 4-year Singapore dollar fixed rate Notes comprised in series 001 (the "Series 001 Notes") under its MTN Programme. The Series 001 Notes are unsecured and bear interest at a fixed rate of 4.15% per annum payable semi-annually in arrears, and will mature on 18 September 2018.

The Issuer has on-lent the proceeds from the issuance of the Series 001 Notes to VI-REIT, which in turn used such proceeds to partially finance the acquisition of two investment properties, namely Jackson Square and Jackson Design Hub.

At the end of the reporting period, both the MTN Programme and the Series 001 Notes have been assigned a credit rating of "Ba2" (2016: "Ba2") by Moody's Investors Service.

At the end of the reporting period, the weighted average effective interest rate of the outstanding borrowings (including the margins charged on the Credit Facilities and the amortisation of debt-related transaction costs) is 3.90% (2016: 3.99%) per annum, and the total borrowings (excluding the Revolving Credit Facility) have a weighted average maturity period of 2.5 years (2016: 3.2 years).

11 Trade and other payables

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Non-current liabilities						
Trade and other payables:						
Security and other deposits	8,700	7,986	8,700	7,986	–	–
Current liabilities						
Trade and other payables:						
- third parties	4,327	3,956	4,322	3,950	5	6
- related party (Note 26)	5,313	15,500	5,313	15,500	–	–
- the REIT Manager (Note 26)	119	104	119	104	–	–
- the REIT Trustee (Note 26)	49	46	49	46	–	–
- the Property Manager (Note 26)	681	964	681	964	–	–
GST payable	1,386	750	1,386	750	–	–
Finance costs payable	3,012	2,860	3,012	2,860	–	–
Security and other deposits	2,917	3,995	2,917	3,995	–	–
Rental received in advance	905	835	905	835	–	–
Property tax payable	10,062	9,632	10,062	9,632	–	–
Accrued operating expenses	1,413	664	1,413	664	–	–
Accrued capital expenditure	5,180	–	5,180	–	–	–
	35,364	39,306	35,359	39,300	5	6

Outstanding balances with the REIT Manager, REIT Trustee, Property Manager and a related party are unsecured, interest-free and are repayable on demand.

Included in security and other deposits is an amount of $49,000 (2016: $48,000) received from the REIT Manager.

12 Derivative financial instruments

	Stapled Group				VI-REIT Group				VI-BT			
	2017		2016		2017		2016		2017		2016	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Interest rate swaps												
Current	–	113	–	–	–	113	–	–	–	–	–	–
Non-current	–	2,476	–	1,778	–	2,476	–	1,778	–	–	–	–
	–	2,589	–	1,778	–	2,589	–	1,778	–	–	–	–

VI-REIT Group and the Stapled Group use interest rate swaps to manage their exposures to interest rate movements on the floating rate interest-bearing borrowings by swapping the interest expense on such borrowings from floating rates to fixed rates.

At the end of the reporting period, VI-REIT Group and the Stapled Group have entered into interest rate swap contracts with a total notional amount of $343 million (2016: $320 million) to provide fixed rate funding for approximately 1.0 year (2016: 2.0 years). Under these interest rate swap contracts, VI-REIT Group and the Stapled Group pay interest at a weighted average fixed interest rate of 1.83% (2016: 1.86%) per annum and receive interest based on SOR.

13 Stapled Securities/Units issued and issuable

A Stapled Security comprises one unit of VI-REIT and one unit of VI-BT stapled together under the terms of the Stapling Deed.

	Stapled Group		VI-REIT		VI-BT	
	2017	2016	2017	2016	2017	2016
	Number of Stapled Securities		Number of Units		Number of Units	
Stapled Securities/ Units issued						
At beginning of the year	931,405,379	860,615,215	931,405,379	860,615,215	931,405,379	860,615,215
Issue of new Stapled Securities/Units:						
- pursuant to private placement	-	60,811,000	-	60,811,000	-	60,811,000
- as partial payment of the purchase consideration for the acquisition of an investment property	30,483,700	-	30,483,700	-	30,483,700	-
- as payment of REIT Manager's fees	7,574,865	7,437,412	7,574,865	7,437,412	7,574,865	7,437,412
- as payment of Property Manager's fees	3,194,297	2,541,752	3,194,297	2,541,752	3,194,297	2,541,752
At end of the year	972,658,241	931,405,379	972,658,241	931,405,379	972,658,241	931,405,379
Stapled Securities/ Units issuable						
REIT Manager's fees payable in Stapled Securities/Units	3,100,366	1,898,457	3,100,366	1,898,457	3,100,366	1,898,457
Property Manager's fees payable in Stapled Securities/Units	-	786,548	-	786,548	-	786,548
	3,100,366	2,685,005	3,100,366	2,685,005	3,100,366	2,685,005
Total issued and issuable Stapled Securities/ Units at end of the year	975,758,607	934,090,384	975,758,607	934,090,384	975,758,607	934,090,384

For the year ended 31 December 2017, the following were issued:

- 30,483,700 new Stapled Securities were issued on 16 January 2017 at an issue price of $0.7545 per Stapled Security as partial payment of the purchase consideration for the acquisition of 6 Chin Bee Avenue.
- 7,574,865 new Stapled Securities, amounting to approximately $6,338,000, were issued to the REIT Manager at issue prices ranging from $0.7566 to $0.9426 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's fees.
- 3,194,297 new Stapled Securities, amounting to approximately $2,676,000, were issued to the Property Manager at issue prices ranging from $0.7566 to $0.9426 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the Property Manager's fees.

For the year ended 31 December 2016, the following were issued:

- 60,811,000 new Stapled Securities were issued on 7 November 2016 at an issue price of $0.74 per Stapled Security pursuant to a private placement. Stapled Securityholders on the register with the Central Depository (Pte) Limited on 6 November 2016 received an advanced distribution on 28 November 2016, of 0.728 cents per Stapled Security in respect of the period from 1 October 2016 to 6 November 2016. Thereafter, the 60,811,000 new Stapled Securities rank pari passu in all respects with the Stapled Securities in issue prior to 7 November 2016, including the entitlement to all future distributions.

- 7,437,412 new Stapled Securities, amounting to approximately $5,405,000, were issued to the REIT Manager at issue prices ranging from $0.7049 to $0.7817 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's fees.

- 2,541,752 new Stapled Securities, amounting to approximately $1,852,000, were issued to the Property Manager at issue prices ranging from $0.7049 to $0.7817 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the Property Manager's fees.

At the end of the reporting period, the following are issuable:

- 1,779,377 (2016: 1,898,457) new Stapled Securities, amounting to approximately $1,672,000 (2016: $1,436,000), are issuable to the REIT Manager at an issue price of $0.9398 (2016: $0.7566) per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's base fee attributable to VI-REIT's portfolio of properties excluding Jackson Square and Jackson Design Hub (for which the attributable base fee is paid in cash) for the calendar period from 1 October to 31 December for the respective financial period.

- 1,320,989 (2016: Nil) new Stapled Securities, amounting to approximately $1,242,000 (2016: $Nil), are issuable to the REIT Manager at an issue price of $0.9398 (2016: $Nil) per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's performance fee for the financial year ended 31 December 2017.

As at 31 December 2016, 786,548 new Stapled Securities, amounting to approximately $595,000 were issuable to the Property Manager at an issue price of $0.7566 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the Property Manager's fees attributable to VI-REIT's portfolio of properties excluding Jackson Square and Jackson Design Hub (for which the attributable fees are paid in cash).

Each Stapled Security represents an undivided interest in VI-REIT and VI-BT. A holder of the Stapled Securities has no equitable or proprietary interest in the underlying assets of VI-REIT and VI-BT, and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of VI-REIT and VI-BT.

The liability of a holder of the Stapled Securities is limited to the amount paid or payable for the Stapled Securities.

Each Stapled Security carries one vote.

Capital management

The REIT Manager's key objective is to provide Stapled Securityholders with a competitive rate of return by ensuring stable distributions to Stapled Securityholders as well as long-term growth in distribution per Stapled Security and net asset value per Stapled Security, while maintaining an optimal capital structure.

The REIT Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and utilise interest rate and currency hedging strategies where appropriate to minimise exposure to market volatility and optimise risk-adjusted returns to Stapled Securityholders. With effect from 1 January 2016, the Aggregate Leverage of a property fund should not exceed 45% of the value of the property fund's deposited property regardless of the property fund's credit rating.

At the end of the reporting period, VI-REIT has been assigned a corporate credit rating of "Ba1" (2016: "Ba1") by Moody's Investors Service. The Aggregate Leverage of VI-REIT as at 31 December 2017 was 39.8% (2016: 37.2%) of its deposited property and remained within the Aggregate Leverage limit of 45% (2016: 45%) during the year.

Distribution policy

VI-REIT's distribution policy is to distribute at least 90% of its annual distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

At the end of the reporting period, VI-BT remains inactive. In the event that VI-BT becomes active and profitable, VI-BT's distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by VI-BT will be at the sole discretion of the Trustee-Manager.

14 Net asset value per Stapled Security/Unit

	Stapled Group		VI-REIT Group		VI-BT	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Net asset value per Stapled Security/Unit is calculated based on:						
Net assets ($'000)	746,572	738,947	746,549	738,919	23	28
Total number of issued and issuable Stapled Securities/Units ('000)	975,759	934,090	975,759	934,090	975,759	934,090
Net asset value per Stapled Security/Unit (cents)	76.512	79.109	76.510	79.106	0.002	0.003

15 Gross revenue

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Property rental income	86,581	74,272	86,581	74,272	-	-
Services charges income	12,780	11,864	12,780	11,864	-	-
Other income	12,302	8,983	12,302	8,983	-	-
	111,663	95,119	111,663	95,119	-	-

16 Property expenses

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Property Manager's fees paid/payable in:						
- cash	1,050	363	1,050	363	-	-
- Stapled Securities	2,081	2,056	2,081	2,056	-	-
	3,131	2,419	3,131	2,419	-	-
Repair and maintenance expenses	8,684	9,645	8,684	9,645	-	-
Property tax expense	6,540	6,116	6,540	6,116	-	-
Insurance premium	111	147	111	147	-	-
Other property expenses	11,391	8,314	11,391	8,314	-	-
	29,857	26,641	29,857	26,641	-	-

17 Rental support/rental arrangement

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
UE BizHub EAST rental arrangement (Note A below)	9,466	11,155	9,466	11,155	-	-
Jackson Square rental support arrangement (Note B below)	5,253	1,564	5,253	1,564	-	-
	14,719	12,719	14,719	12,719	-	-

Notes:

(A) UE BizHub EAST ("UEBH") rental arrangement

Pursuant to the sale and purchase agreement entered into between VI-REIT and the vendor of UEBH, United Engineers Developments Pte Ltd ("UED"), UED agreed to pay VI-REIT for the rental differential where the actual net rental income derived from UEBH (excluding the Hotel Leased Premises) is less than an agreed amount per annum (the "Agreed Amount"). The duration of the UEBH rental arrangement is for a period of five years from the Listing Date. The Agreed Amount is $26 million per annum for each of the first two years, with a step-up of 5% in each of the third and fifth year of the term. If the actual net rental income derived from UEBH (excluding the Hotel Leased Premises) is in excess of the Agreed Amount, VI-REIT shall pay the excess amount to UED.

(B) Jackson Square ("JS") rental support arrangement

Pursuant to the sale and purchase agreement entered into between VI-REIT and the vendor of Jackson Square, Jackson International Private Limited ("JIPL"), JIPL agreed to pay VI-REIT for the rental differential where the actual aggregate gross rental income derived from Jackson Square is less than $58 million over the rental support period of five years commencing from the date of acquisition of Jackson Square on 21 November 2014. If the actual aggregate gross rental income derived from Jackson Square is more than $58 million over the rental support period of five years, VI-REIT shall be entitled to the excess amount.

On 19 May 2017, VI-REIT entered into a settlement agreement with JIPL and Mr Tan Phong Guan (director and shareholder of JIPL) pursuant to which, among other things, JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement upon VI-REIT's receipt of a cash payment of $1.0 million and the proceeds of $3.9 million from the drawdown of the JS rental support bank guarantee (the "JS Rental Support Settlement"). The JS Rental Support Settlement amount of $4.9 million had been fully recognised as rental support during the year ended 31 December 2017.

18 REIT Manager's fees

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Base fees paid/payable in:						
- cash	927	696	927	696	-	-
- Stapled Securities	6,574	5,467	6,574	5,467	-	-
Performance fee payable in Stapled Securities	1,242	-	1,242	-	-	-
	8,743	6,163	8,743	6,163	-	-

19 Other trust expenses

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Fees paid/payable to the Stapled Group's auditors:						
- audit fees	158	153	155	150	3	3
- non-audit fees	8	8	8	8	-	-
Valuation fees	42	76	42	76	-	-
Other expenses	1,260	840	1,258	837	2	3
	1,468	1,077	1,463	1,071	5	6

20 Finance expenses

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Amortisation of debt-related transaction costs	1,882	1,821	1,882	1,821	–	–
Unamortised debt-related transaction costs written off	–	1,890	–	1,890	–	–
Debt prepayment and cancellation fees	–	801	–	801	–	–
Interest expense and loan commitment fee	18,606	17,157	18,606	17,157	–	–
	20,488	21,669	20,488	21,669	–	–

21 Income tax expense

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Current tax expense	2,481	2,145	2,481	2,145	-	-
Reconciliation of effective tax rate						
Total return for the year before income tax	41,084	44,940	41,089	44,946	(5)	(6)
Tax calculated using Singapore tax rate of 17% (2016: 17%)	6,984	7,640	6,985	7,641	(1)	(1)
Non-tax deductible items	6,300	3,389	6,299	3,388	1	1
Non-taxable items	(270)	(306)	(270)	(306)	-	-
Tax transparency (Note 3.10)	(10,533)	(8,578)	(10,533)	(8,578)	-	-
	2,481	2,145	2,481	2,145	-	-

Tax treatment of the rental income support in respect of the UEBH rental arrangement

The IRAS had, on 11 October 2013, granted VI-REIT a provisional approval for tax transparency treatment to be accorded to the rental income support in respect of the UEBH rental arrangement, subject to certain conditions being met (the "Provisional Approval").

The IRAS had, on 23 April 2014, issued a letter to withdraw the aforesaid Provisional Approval. The withdrawal of the Provisional Approval by the IRAS has no financial impact on the financial statements of VI-REIT Group and the Stapled Group as such financial statements have been prepared on the basis that tax transparency treatment would not be applicable to the rental income support in respect of the UEBH rental arrangement. For the year ended 31 December 2017, VI-REIT Group and the Stapled Group made income tax provision of approximately $1,588,000 (2016: $1,879,000) in respect of the rental income support arising from the UEBH rental arrangement.

Tax treatment of the rental income support in respect of the JS rental support arrangement

The IRAS had, on 16 April 2015, issued a letter to reject the application for tax transparency treatment to be accorded to the rental income support in respect of the JS rental support arrangement. Consequently, VI-REIT Group and the Stapled Group made income tax provision of approximately $893,000 (2016: $266,000) in respect of such rental income support for the year ended 31 December 2017.

22 Earnings and Distribution per Stapled Security/Unit

Earnings per Stapled Security/Unit

Basic earnings per Stapled Security/Unit is calculated based on:

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Total return for the year after income tax	38,603	42,795	38,608	42,801	(5)	(6)
	Number of Stapled Securities ('000)		Number of Units ('000)		Number of Units ('000)	
	('000)	('000)	('000)	('000)	('000)	('000)
Number of issued and issuable Stapled Securities/Units at beginning of the year	931,405	860,615	931,405	860,615	931,405	860,615
Effect of new Stapled Securities/Units issued and issuable:						
- pursuant to private placement	-	9,138	-	9,138	-	9,138
- as partial payment of the purchase consideration for the acquisition of an investment property	29,231	-	29,231	-	29,231	-
- as payment of REIT Manager's fees	4,828	4,696	4,828	4,696	4,828	4,696
- as payment of Property Manager's fees	2,019	1,541	2,019	1,541	2,019	1,541
Weighted average number of issued and issuable Stapled Securities/Units during the year	967,483	875,990	967,483	875,990	967,483	875,990

Diluted earnings per Stapled Security/Unit is the same as the basic earnings per Stapled Security/Unit as there were no potential dilutive instruments in issue during the year.

Distribution per Stapled Security/Unit

Distribution per Stapled Security/Unit ("DPS"/"DPU") is calculated based on the amount of distribution declared for the financial year and the applicable number of Stapled Securities/Units which is either the number of Stapled Securities/Units in issue at the end of the financial year or the applicable number of Stapled Securities/Units in issue during the financial year.

	VI-REIT Group and Stapled Group	
	2017	**2016**
	$'000	**$'000**
Amount of distribution declared for the year	72,305	60,938
	Number of Stapled Securities/Units	
	('000)	**('000)**
Applicable number of Stapled Securities/Units for the calculation of DPS/DPU	967,564	875,667

Without the effects of rental support/rental arrangement, the DPS/DPU for the year ended 31 December 2017 would be 6.442 cents (2016: 5.766 cents).

Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group for the current year are contributed solely by VI-REIT Group as VI-BT was inactive during the year. Accordingly, only the amount of distribution declared by VI-REIT Group has been included for the purpose of calculating the DPS.

23 Operating segments

Business segments

The Stapled Group has four reportable business segments as follows:

- Business park
- Hotel
- Logistics
- Light industrial

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is presented in respect of the Stapled Group's business segments, based on its management and internal reporting structure.

Segment revenue comprises mainly income generated from tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the REIT Manager's fees, REIT Trustee's fees, amortisation expense, trust expenses, finance income/costs and change in fair value of derivative financial instruments and related assets and liabilities.

Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the REIT Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment relative to other entities that operate within the same industry.

Information about reportable segments

	Business park $'000	Hotel $'000	Logistics $'000	Light industrial $'000	Total $'000
Stapled Group					
Year ended 31 December 2017					
Gross revenue	67,436	9,009	13,827	21,391	111,663
Property expenses	(25,466)	(324)	(430)	(3,637)	(29,857)
Net property income	**41,970**	**8,685**	**13,397**	**17,754**	**81,806**
Rental support/rental arrangement	8,980	486	–	5,253	14,719
Reportable segment results	50,950	9,171	13,397	23,007	96,525
Unallocated items:					
- REIT Manager's fees					(8,743)
- REIT Trustee's fees					(194)
- Amortisation of intangible assets	(3,300)	-	-	-	(3,300)
- Other trust expenses					(1,468)
- Finance income					20
- Finance expenses					(20,488)
Net income					**62,352**
Change in fair value of investment properties	(7,328)	-	(4,210)	(8,919)	(20,457)
Change in fair value of derivative financial instruments					(811)
Total return for the year before income tax					**41,084**
Income tax expense					(2,481)
Total return for the year after income tax					**38,603**
At 31 December 2017					
Reportable segment assets	725,880	160,552	179,550	242,935	1,308,917
Unallocated assets					9,478
Total assets					**1,318,395**
Reportable segment liabilities	30,025	671	3,378	3,949	38,023
Unallocated liabilities					533,800
Total liabilities					**571,823**

	Business park $'000	Hotel $'000	Logistics $'000	Light industrial $'000	Total $'000
Stapled Group					
Year ended 31 December 2016					
Gross revenue	58,089	9,201	5,141	22,688	95,119
Property expenses	(22,586)	(337)	(148)	(3,570)	(26,641)
Net property income	**35,503**	**8,864**	**4,993**	**19,118**	**68,478**
Rental support/rental arrangement	10,875	280	–	1,564	12,719
Reportable segment results	46,378	9,144	4,993	20,682	81,197
Unallocated items:					
- REIT Manager's fees					(6,163)
- REIT Trustee's fees					(183)
- Amortisation of intangible assets	(3,300)	-	-	-	(3,300)
- Other trust expenses					(1,077)
- Finance income					55
- Finance expenses					(21,669)
Net income					**48,860**
Change in fair value of investment properties	(215)	–	2,718	(2,331)	172
Change in fair value of derivative financial instruments					(4,092)
Total return for the year before income tax					**44,940**
Income tax expense					(2,145)
Total return for the year after income tax					**42,795**
At 31 December 2016					
Reportable segment assets	728,223	160,021	84,183	250,916	1,223,343
Unallocated assets					30,563
Total assets					**1,253,906**
Reportable segment liabilities	35,435	881	949	4,581	41,846
Unallocated liabilities					473,113
Total liabilities					**514,959**

Geographical segments

Segment information by geographical area is not presented as all of the Stapled Group's assets are located in Singapore.

24 Financial risk management

Risk management is integral to the whole business of the Stapled Group. The Stapled Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Trustee-Manager and the REIT Manager continually monitor the Stapled Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Stapled Group's activities.

The Audit and Risk Committee of the REIT Manager oversees how the REIT Manager Board monitors compliance with the Stapled Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Stapled Group.

There has been no change to the Stapled Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or counterparty of the Stapled Group to settle its financial and contractual obligations, as and when they fall due.

Credit evaluations are performed before lease agreements are entered into with tenants. Rental deposits or bank guarantees are collected or obtained, where appropriate, to reduce credit risk. In addition, the REIT Manager monitors the balances due from tenants on an ongoing basis.

The tenant profile of the Stapled Group is generally well-diversified, except for one major tenant, which accounted for 65.5% (2016: 61.0%) of the trade receivables as at 31 December 2017.

The Stapled Group establishes an allowance for impairment, based on a specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Stapled Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with financial institutions which are reputable and regulated.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Stapled Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Trustee-Manager and the REIT Manager monitor the Stapled Group's liquidity risk and maintain a level of cash and cash equivalents deemed adequate to finance the Stapled Group's operations and to mitigate the effects of fluctuations in cash flows. The REIT Manager also monitors and observes the CIS Code issued by the MAS in respect of limits on total borrowings.

At the end of the reporting period, the Stapled Group's current liabilities exceeded its current assets by $109.0 million mainly due to the reclassification of its $100 million MTN from non-current liabilities as at 31 December 2016 to current liabilities as at 31 December 2017 as the $100 million MTN will be repayable in September 2018. The aforesaid $100 million MTN can be refinanced by issuing new MTN of the same amount under the $500 million Multicurrency MTN Programme, which has an undrawn balance of $400 million. The REIT Manager may also consider utilising other funding options such as the issuance of new Stapled Securities or perpetual securities to raise funds to repay the aforesaid $100 million MTN. As such, notwithstanding that the Stapled Group's current liabilities exceeded its current assets by $109.0 million at the end of the reporting period, the REIT Manager is of the view that the Stapled Group will be able to meet its liabilities as and when they fall due.

At the end of the reporting period, the Stapled Group maintains the following lines of credit:

- $330 million (2016: $330 million) secured Term Loan Facility I comprising term loan facility A of $140 million (2016: $140 million) and Revolving Credit Facility of $50 million (2016: $50 million), which are fully repayable by way of a bullet repayment on 1 February 2020; and term loan facility B of $140 million (2016: $140 million), which is fully repayable by way of a bullet repayment on 1 February 2021. At the end of the reporting period, term loan facility A and term loan facility B have been fully drawn down and $15 million (2016: $14 million) of the Revolving Credit Facility has been utilised;

- $73 million (2016: $73 million) secured Term Loan Facility II, which is fully repayable by way of a bullet repayment on 24 November 2020. At the end of the reporting period, this facility has been fully drawn down;

- $22 million (2016: $22 million) secured Term Loan Facility III, which is fully repayable by way of a bullet repayment on 11 January 2022. At the end of the reporting period, this facility has been fully drawn down;

- $35 million (2016: $Nil) secured Term Loan Facility IV, which is fully repayable by way of a bullet repayment on 22 May 2022. At the end of the reporting period, this facility has been fully drawn down; and

- $100 million (2016: $100 million) in principal amount of unsecured Series 001 Notes issued under the MTN Programme, which will mature on 18 September 2018.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

			---------- Cash flows ----------	
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Between 2 to 5 years $'000**
VI-REIT Group				
2017				
Non-derivative financial liabilities				
Trade and other payables (a)	31,706	(31,706)	(23,006)	(8,700)
Interest-bearing borrowings	520,544	(562,606)	(115,121)	(447,485)
	552,250	(594,312)	(138,127)	(456,185)
Derivative financial instruments				
Interest rate swaps	2,589	(2,589)	(113)	(2,476)
	554,839	(596,901)	(138,240)	(458,661)
2016				
Non-derivative financial liabilities				
Trade and other payables (a)	36,069	(36,069)	(28,083)	(7,986)
Interest-bearing borrowings	461,509	(510,389)	(14,144)	(496,245)
	497,578	(546,458)	(42,227)	(504,231)
Derivative financial instruments				
Interest rate swaps	1,778	(1,778)	-	(1,778)
	499,356	(548,236)	(42,227)	(506,009)

			---------- Cash flows ----------	
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Between 2 to 5 years $'000**
Stapled Group				
2017				
Non-derivative financial liabilities				
Trade and other payables (a)	31,711	(31,711)	(23,011)	(8,700)
Interest-bearing borrowings	520,544	(562,606)	(115,121)	(447,485)
	552,255	(594,317)	(138,132)	(456,185)
Derivative financial instruments				
Interest rate swaps	2,589	(2,589)	(113)	(2,476)
	554,844	(596,906)	(138,245)	(458,661)
2016				
Non-derivative financial liabilities				
Trade and other payables (a)	36,075	(36,075)	(28,089)	(7,986)
Interest-bearing borrowings	461,509	(510,389)	(14,144)	(496,245)
	497,584	(546,464)	(42,233)	(504,231)
Derivative financial instruments				
Interest rate swaps	1,778	(1,778)	-	(1,778)
	499,362	(548,242)	(42,233)	(506,009)

(a) Excluding rental received in advance, property tax payable and GST payable

The maturity analyses show the contractual undiscounted cash flows of the financial liabilities of VI-REIT Group and the Stapled Group on the basis of their earliest possible contractual maturity. Derivative financial instruments held are normally not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled.

The financial assets of VI-REIT Group and the Stapled Group are either repayable on demand or due within one year from the end of the reporting period.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect VI-REIT Group's and the Stapled Group's total return or the value of their holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

VI-REIT Group's and the Stapled Group's exposure to changes in interest rates relate primarily to interest-bearing financial liabilities. This risk is managed by the REIT Manager on an on-going basis with the primary objective of limiting the extent to which the finance costs could be affected by an adverse movement in the market interest rates.

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments was as follows:

	Stapled Group		VI-REIT Group		VI-BT	
	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000
Fixed rate instruments						
Medium Term Notes (principal amount)	100,000	100,000	100,000	100,000	–	–
Variable rate instruments						
Floating rate borrowings (principal amount)	425,000	367,000	425,000	367,000	–	–
Interest rate swaps (notional amount)	(343,000)	(320,000)	(343,000)	(320,000)	–	–

The REIT Manager's strategy to manage the risk of potential interest rate volatility may be through the use of interest rate hedging instruments and/or fixed rate borrowings. The REIT Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges, after taking into account the prevailing market conditions.

Derivative financial instruments are used to manage exposures to interest rate risk arising from financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Sensitivity analysis for variable rate instruments

For the variable rate instruments, a change of 100 basis points (bp) in interest rate at the end of the reporting period would have increased/(decreased) total return and unitholders' funds (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	VI-REIT Group and Stapled Group			
	Statement of Total Return		Unitholders' funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
2017				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(5,424)	5,424	(5,424)	5,424
Interest rate swaps				
- Interest expense	3,340	(3,340)	3,340	(3,340)
- Change in fair value of derivative financial instruments	4,200	(4,200)	4,200	(4,200)
Cash flow sensitivity (net)	2,116	(2,116)	2,116	(2,116)

	VI-REIT Group and Stapled Group			
	Statement of Total Return		Unitholders' funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
2016				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(4,445)	4,445	(4,445)	4,445
Interest rate swaps				
- Interest expense	2,454	(2,454)	2,454	(2,454)
- Change in fair value of derivative financial instruments	5,800	(5,800)	5,800	(5,800)
Cash flow sensitivity (net)	3,809	(3,809)	3,809	(3,809)

Fair values

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Loans and receivables $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
VI-REIT Group					
2017					
Financial assets					
Loans and receivables (a)	8,260	–	–	8,260	8,260
Cash and cash equivalents	9,444	–	–	9,444	9,444
	17,704	–	–	17,704	17,704
Financial liabilities					
Interest-bearing borrowings	–	–	(520,544)	(520,544)	(521,157)
Trade and other payables (b)	–	–	(31,706)	(31,706)	(31,706)
Derivative financial instruments	–	(2,589)	–	(2,589)	(2,589)
	–	(2,589)	(552,250)	(554,839)	(555,452)
2016					
Financial assets					
Loans and receivables (a)	7,695	–	–	7,695	7,695
Cash and cash equivalents	30,428	–	–	30,428	30,428
	38,123	–	–	38,123	38,123
Financial liabilities					
Interest-bearing borrowings	–	–	(461,509)	(461,509)	(461,304)
Trade and other payables (b)	–	–	(36,069)	(36,069)	(36,069)
Derivative financial instruments	–	(1,778)	–	(1,778)	(1,778)
	–	(1,778)	(497,578)	(499,356)	(499,151)

Stapled Group	Loans and receivables $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2017					
Financial assets					
Loans and receivables (a)	8,260	–	–	8,260	8,260
Cash and cash equivalents	9,472	–	–	9,472	9,472
	17,732	–	–	17,732	17,732
Financial liabilities					
Interest-bearing borrowings	–	–	(520,544)	(520,544)	(521,157)
Trade and other payables (b)	–	–	(31,711)	(31,711)	(31,711)
Derivative financial instruments	–	(2,589)	–	(2,589)	(2,589)
	–	(2,589)	(552,255)	(554,844)	(555,457)
2016					
Financial assets					
Loans and receivables (a)	7,695	–	–	7,695	7,695
Cash and cash equivalents	30,462	–	–	30,462	30,462
	38,157	–	–	38,157	38,157
Financial liabilities					
Interest-bearing borrowings	–	–	(461,509)	(461,509)	(461,304)
Trade and other payables (b)	–	–	(36,075)	(36,075)	(36,075)
Derivative financial instruments	–	(1,778)	–	(1,778)	(1,778)
	–	(1,778)	(497,584)	(499,362)	(499,157)

(a) Excluding prepayments, deferred expenses and accrued revenue

(b) Excluding rental received in advance, property tax payable and GST payable

The Stapled Group has an established control framework with respect to the measurement of fair values. This framework includes a team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The team regularly reviews significant unobservable inputs and valuation adjustments applied in the fair value measurements. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy that the resulting fair value estimate should be classified.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities that VI-REIT Group and the Stapled Group can access at the measurement date;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3**: unobservable inputs for the asset or liability.

Financial assets and liabilities carried at fair value

VI-REIT Group and Stapled Group	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2017				
Derivative financial instruments	–	(2,589)	–	(2,589)
2016				
Derivative financial instruments	–	(1,778)	–	(1,778)

25 Commitments

Capital commitments

At the end of the reporting period, VI-REIT Group and the Stapled Group have capital commitments of $3.5 million (2016: $13.2 million) comprising $3.0 million payable for vehicular access rights over the ramp and certain parts of the property adjoining to 30 Pioneer Road; and $0.5 million in respect of capital expenditure at Viva Business Park.

Included in the capital commitments of $13.2 million as at 31 December 2016 was $2.4 million contracted with a related party of the REIT Manager in relation to asset enhancement works at Viva Business Park.

Operating lease rental receivable

Non-cancellable operating lease rentals are receivable as follows:

	Stapled Group		**VI-REIT Group**		**VI-BT**	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**
Within 1 year	95,056	85,262	95,056	85,262	–	–
After 1 year but within 5 years	169,778	146,571	169,778	146,571	–	–
After 5 years	57,397	63,989	57,397	63,989	–	–
	322,231	295,822	322,231	295,822	–	–

The above operating lease rental receivables are based on the fixed component of the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

26 Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Stapled Group if the Stapled Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities.

The REIT Manager, the Trustee-Manager, the Property Manager and the Stapled Group are entities under common control.

In the normal course of the operations of VI-REIT, the REIT Manager's fees and the REIT Trustee's fees have been paid or are payable to the REIT Manager and the REIT Trustee, respectively. Property and lease management fees are payable to the Property Manager, a related party of the REIT Manager.

The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions carried out on terms agreed between the parties:

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Rental income and utilities charges received/ receivable from:						
- the REIT Manager	210	204	210	204	-	-
- a related party of the REIT Manager	1,937	1,922	1,937	1,922	-	-
Construction costs paid/payable to a related party of the REIT Manager	1,240	16,457	1,240	16,457	-	-
Acquisition fee paid to the REIT Manager in relation to the acquisition of an investment property	873	450	873	450	-	-
Marketing commission paid/payable to the Property Manager	1,398	1,437	1,398	1,437	-	-
Project management fee paid/payable to the Property Manager	181	400	181	400	-	-

27 Determination of fair values

A number of the Stapled Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment properties

The fair values of investment properties are based on independent valuations undertaken. Further information is set out in Note 5.

(ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoiced amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and for disclosure purposes, at the end of each reporting period.

(iii) Derivatives

The fair values of interest rate swaps (Level 2 fair values) are based on valuations provided by the counterparty banks, which are determined based on the discounted future cash flows using the applicable yield curve for the remaining duration of the interest rate swaps and interest rates implied from observable market inputs such as market interest rates yield curves and contracted interest rates discounted at a rate that reflects the credit risk of the counterparties.

(iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value at initial recognition, net of transaction costs and for disclosure purposes, at the end of each reporting period. The fair values of non-derivative financial liabilities with a maturity of less than one year are assumed to approximate their carrying values because of the short period to maturity. The fair values of other non-derivative financial liabilities are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Fair value hierarchy

Fair value and fair value hierarchy information of financial instruments are disclosed in Note 24.

The table below analyses fair value measurements for non-financial assets carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities that VI-REIT Group and the Stapled Group can access at the measurement date;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3**: unobservable inputs for the asset or liability.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
VI-REIT Group and Stapled Group				
2017				
Investment properties	–	–	1,284,700	1,284,700
2016				
Investment properties	–	–	1,199,700	1,199,700

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	VI-REIT Group and Stapled Group	
	2017 $'000	2016 $'000
Investment properties		
At beginning of the year	1,199,700	1,123,200
Acquisition (including acquisition-related costs)	96,318	52,235
Stamp duty	311	156
Capital expenditure	8,828	23,937
Change in fair value recognised in statement of total return	(20,457)	172
At end of the year	1,284,700	1,199,700

The following table shows the key unobservable inputs used in the valuation models as at the end of the reporting period:

Type	**Key unobservable inputs**		**Inter-relationship between key unobservable inputs and fair value measurement**
	2017	**2016**	
Investment properties			
Business parks, hotel and industrial properties	Capitalisation rates (from 5.25% to 6.75%) Discount rate (8%)	Capitalisation rates (from 5.75% to 7.25%) Discount rate (8%)	The estimated fair value would decrease as the capitalisation rates and discount rates increase

Valuation process applied by the Stapled Group

The fair value of investment properties is determined by external independent property valuers, having the appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuation of VI-REIT Group's and the Stapled Group's investment properties is carried out at least once a year.

Key unobservable inputs

Key unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.
- Capitalisation rate corresponds to a rate of return on investment properties based on the expected income that the property will generate.

28 Financial ratios

	Stapled Group		VI-REIT Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Operating expenses [1]				
- including performance component of the REIT Manager's fees	10,405	7,423	10,400	7,417
- excluding performance component of the REIT Manager's fees	9,163	7,423	9,158	7,417

	Stapled Group		VI-REIT Group	
	2017 %	2016 %	2017 %	2016 %
Expenses to weighted average net assets [2]				
- including performance component of the REIT Manager's fees	1.37	1.05	1.37	1.04
- excluding performance component of the REIT Manager's fees	1.20	1.05	1.21	1.04
Portfolio turnover rate [3]	–	–	–	–

[1] The expenses used in the computation relate to expenses of VI-REIT Group and the Stapled Group, excluding property expenses, interest expense, amortisation of intangible assets, and income tax expense of each entity, if applicable.

[2] The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore.

[3] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of VI-REIT Group and the Stapled Group expressed as a percentage of daily average net asset value.

29 Subsequent events

(a) On 28 January 2018, the REIT Manager and the Trustee-Manager (collectively, the "Managers") received a non-binding proposal from ESR Funds Management (S) Limited, as manager of ESR-REIT (the "ESR Manager") in relation to the proposed merger of the Stapled Group and ESR-REIT (the "Proposed Merger") and entered into exclusive discussions with the ESR Manager in relation to the Proposed Merger. At the date of authorisation of these financial statements, the Managers' exclusive discussions with the ESR Manager in relation to the Proposed Merger are still ongoing and no definitive legally binding agreements have been entered into with ESR-REIT or the ESR Manager in relation to the Proposed Merger.

(b) On 21 February 2018, the credit ratings assigned by Moody's Investors Service as disclosed in Note 10 and Note 13 had been withdrawn following the amendment to Appendix 6 of the CIS Code for REITs to adopt a single-tier leverage limit of 45% without the requirement for a credit rating.

(c) On 28 February 2018, VI-REIT Group and the Stapled Group paid a distribution of approximately $18,062,000 or 1.857 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 October 2017 to 31 December 2017.

APPENDIX I — UNAUDITED FINANCIAL STATEMENTS OF THE VIT GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2018

VIVA INDUSTRIAL TRUST

Comprising:

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) managed by

Viva Industrial Trust Management Pte. Ltd.

VIVA INDUSTRIAL BUSINESS TRUST

(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore) managed by

Viva Asset Management Pte. Ltd.

Viva Industrial Trust
Unaudited Financial Statements Announcement
For the first quarter ended 31 March 2018

INTRODUCTION

Viva Industrial Trust ("**VIT**") is a stapled group (the "**Stapled Group**") comprising Viva Industrial Real Estate Investment Trust ("**VI-REIT**") and its subsidiary (collectively, "**VI-REIT Group**") and Viva Industrial Business Trust ("**VI-BT**"). Viva Industrial Trust Management Pte. Ltd. is the manager of VI-REIT (the "**REIT Manager**") and Viva Asset Management Pte. Ltd. is the trustee-manager of VI-BT (the "**BT Trustee-Manager**", and collectively with the REIT Manager, the "**Managers**").

VI-REIT is a Singapore-based real estate investment trust established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estates which are used predominantly for business park and other industrial purposes, whether wholly or partially, in Singapore and elsewhere in the Asia-Pacific region, as well as real estate-related assets in connection with the foregoing. VI-BT is a Singapore-based business trust which has remained inactive since its constitution on 14 October 2013.

As at 31 March 2018, VI-REIT has a diversified portfolio of nine properties located in Singapore comprising:

- two business parks, namely UE BizHub EAST ("**UEBH**") which includes a hotel, and Viva Business Park ("**VBP**");
- three logistics properties, namely Mauser Singapore, 30 Pioneer Road and 6 Chin Bee Avenue; and
- four light industrial properties, namely Jackson Square ("**JS**"), Jackson Design Hub ("**JDH**"), Home-Fix Building ("**HFB**") and 11 Ubi Road 1.

Stapled securities in VIT ("**Stapled Securities**") commenced trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 4 November 2013 (the "**Listing Date**").

The consolidated financial statements of the Stapled Group and of VI-REIT Group included the financial statements of a wholly-owned subsidiary, Viva iTrust MTN Pte. Ltd. ("**VMTN**"), which was established on 28 August 2014 with an initial capital of S$1 to act as the issuer of a S$500 million Multicurrency Medium Term Note Programme (the "**MTN Programme**"), which was established by VMTN on 28 August 2014.

Distribution Policy

VI-REIT's distribution policy is to distribute at least 90% of its annual distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

As at 31 March 2018, VI-BT remains inactive. In the event that VI-BT becomes active and profitable, VI-BT's distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by VI-BT will be at the sole discretion of the BT Trustee-Manager.

Viva Industrial Trust
Unaudited Financial Statements Announcement
For the first quarter ended 31 March 2018

Summary of results of Viva Industrial Trust

	Stapled Group		
	1Q2018 S$'000	1Q2017 S$'000	Variance %
Gross revenue	28,692	27,379	4.8
Net property income	21,051	20,340	3.5
Distributable income[(a)]	16,170	17,807	(9.2)
Distribution declared[(b)(c)]	17,949	17,807	0.8
Distribution per Stapled Security[(d)(e)] (cents)	1.838	1.854	(0.9)

Notes:

(a) The distributable income for 1Q2018 of S$16.2 million was S$1.6 million or 9.2% lower than that of 1Q2017 mainly due to all of the management fees payable to the REIT Manager and the Property Manager for 1Q2018 were paid/payable in cash instead of a combination of cash and Stapled Securities as explained in note (c) on page 5 of this announcement.

(b) The distribution declared for 1Q2018 of S$17.9 million included the release of all the previously retained distributable income of S$1.78 million arising from the JS Rental Support Settlement as elaborated in note (a) on page 5 of this announcement.

(c) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security ("**DPS**").

(d) Had (i) the JS rental support arrangement (as elaborated in note (a) on page 5 of this announcement) remained in place for 1Q2018; and (ii) the management fees payable to the REIT Manager and the Property Manager for 1Q2018 continued to be paid by a combination of cash and Stapled Securities, the DPS for 1Q2018 would have been 1.945 cents as compared to the DPS for 1Q2017 of 1.854 cents.

(e) Please refer to section 6 on page 16 of this announcement for the calculation of DPS.

Viva Industrial Trust
Unaudited Financial Statements Announcement
For the first quarter ended 31 March 2018

1(a) Income statements together with comparatives for corresponding periods in immediately preceding financial year

1(a)(i) Consolidated Statement of Total Return for the first quarter ended 31 March 2018 ("1Q2018")

	Note	1Q2018			1Q2017			Inc / (Dec)		
		Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000	Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000	Stapled Group %	VI-REIT Group %	VI-BT %
Gross revenue	(a)	28,692	28,692	-	27,379	27,379	-	4.8	4.8	-
Property expenses	(b)	(7,641)	(7,641)	-	(7,039)	(7,039)	-	8.6	8.6	-
Net property income		**21,051**	**21,051**	**-**	**20,340**	**20,340**	**-**	3.5	3.5	-
Rental support	(a)	2,756	2,756	-	2,900	2,900	-	(5.0)	(5.0)	-
REIT Manager's fees	(c)	(1,797)	(1,797)	-	(1,798)	(1,798)	-	(0.1)	(0.1)	-
REIT Trustee's fees		(51)	(51)	-	(47)	(47)	-	8.5	8.5	-
Amortisation of intangible asset	(d)	(825)	(825)	-	(825)	(825)	-	-	-	-
Other trust expenses	(e)	(414)	(413)	(1)	(362)	(361)	(1)	14.4	14.4	-
Finance income		4	4	-	5	5	-	(20.0)	(20.0)	-
Finance expenses	(f)	(5,231)	(5,231)	-	(4,942)	(4,942)	-	5.8	5.8	-
Net income		**15,493**	**15,494**	**(1)**	**15,271**	**15,272**	**(1)**	1.5	1.5	-
Change in fair value of investment properties	(g)	(3,894)	(3,894)	-	(2,239)	(2,239)	-	73.9	73.9	-
Change in fair value of derivative financial instruments	(h)	1,442	1,442	-	(1,367)	(1,367)	-	n.m.	n.m.	-
Total return before income tax		**13,041**	**13,042**	**(1)**	**11,665**	**11,666**	**(1)**	11.8	11.8	-
Income tax expense	(i)	(464)	(464)	-	(487)	(487)	-	(4.7)	(4.7)	-
Total return after income tax		**12,577**	**12,578**	**(1)**	**11,178**	**11,179**	**(1)**	12.5	12.5	-

n.m. – not meaningful

Notes:

(a) The breakdown of gross revenue and rental support derived from each property in 1Q2018, and the occupancy rate and weighted average lease expiry ("**WALE**") of each property as at 31 March 2018 are as follows:

	Stapled Group					
	1Q2018				1Q2017	
	Gross revenue S$'000	Rental support S$'000	Occupancy rate %	WALE[1] Years	Gross revenue S$'000	Rental support S$'000
VBP	10,776	-	81	2.1	10,026	-
UEBH - Business Park Component	6,568	2,708	90	2.6	6,191	2,424
UEBH – Hotel Component[2]	2,337	48	100	0.6	2,275	90
Mauser Singapore	479	-	100	1.2	479	-
JS	2,332	-	90	2.2	2,514	386
JDH	540	-	100	6.6	541	-
HFB	802	-	100	7.7	802	-
11 Ubi Road 1	1,803	-	100	7.7	1,803	-
30 Pioneer Road	1,134	-	100	3.0	1,134	-
6 Chin Bee Avenue	1,921	-	100	5.8	1,614	-
	28,692	2,756			27,379	2,900

Notes:

(1) WALE is calculated based on the underlying committed gross rental income as at 31 March 2018 assuming renewal options are not exercised.

(2) Includes the Hotel Leased Premises being leased to a single tenant under a hotel lease agreement at a fixed rental of S$8.55 million per annum for the first five-year term commencing from 4 November 2013, with the tenant obliged to renew the lease, subject to approval by JTC Corporation, at a fixed rental of S$9.66 million per annum for the second five-year term commencing from 4 November 2018.

Gross revenue of S$28.7 million for 1Q2018 was S$1.3 million or 4.8% higher than that of 1Q2017 mainly due to:

- higher rental contribution of S$0.3 million from 6 Chin Bee Avenue, which was acquired by VI-REIT on 16 January 2017;
- higher rental and other income contribution of S$0.8 million from VBP; and
- higher rental and other income contribution of S$0.4 million from UEBH;
- partially offset by lower rental contribution of S$0.2 million from JS.

Rental support relates to the rental differentials which are received/receivable under:

(i) the UEBH rental arrangement, pursuant to which the vendor of UEBH agreed to pay VI-REIT for the rental differential (where the actual net rental income derived from UEBH (excluding the Hotel Leased Premises) is less than an agreed amount of S$26 million per annum for each of the first two years, with a step-up of 5% in each of the third and fifth year (the "**Agreed Amount**")) for a duration of five years from the Listing Date; and

(ii) the JS rental support arrangement, pursuant to which the vendor of JS, Jackson International Private Limited ("**JIPL**"), agreed to pay VI-REIT for the rental differential where the actual aggregate gross rental income derived from JS is less than S$58 million over the period of five years commencing from the date of acquisition of JS on 21 November 2014.

Rental support of S$2.8 million for 1Q2018 was S$0.1 million or 5.0% lower than that of 1Q2017 mainly due to:

- the absence of rental top-up under the JS rental support arrangement in 1Q2018 as a result of the settlement agreement entered into with JIPL on 19 May 2017 pursuant to which, among other things, JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement upon VI-REIT's receipt of a cash payment of S$1.0 million and the proceeds of S$3.9 million from the drawdown of the JS rental support bank guarantee (the "**JS Rental Support Settlement**") (Please refer to the announcement dated 21 May 2017 titled "Settlement Agreement with Jackson International Private Limited and Mr Tan Phong Guan" for further details);
- partially offset by higher rental top-up under the UEBH rental arrangement of S$0.3 million as a result of the 5% step-up on the Agreed Amount as described in note (a)(i) above with effect from November 2017.

(b) Property expenses of S$7.6 million for 1Q2018 was S$0.6 million or 8.6% higher than that of 1Q2017 mainly due to higher property expenses of S$0.5 million and S$0.1 million pertaining to UEBH and JS, respectively.

(c) This comprises the REIT Manager's base fee ("**Base Fee**"), which is calculated based on 10% per annum of the distributable income of VI-REIT (before accounting for the Base Fee).

Pursuant to the terms of the proposal received from ESR Funds Management (S) Limited (as manager of ESR-REIT) in relation to the proposed merger of VIT and ESR-REIT as disclosed in the announcement dated 29 January 2018, the REIT Manager has elected to receive all of the Base Fee for 1Q2018 in cash instead of a combination of cash and Stapled Securities.

The REIT Manager's fees of S$1.8 million for 1Q2018 were largely the same as that of 1Q2017.

(d) This relates to the amortisation of the rental differential to be provided to VI-REIT by the vendor of UEBH pursuant to the UEBH rental arrangement as described in note (a)(i) above. Such rental differential is amortised on a straight-line basis over the duration of the UEBH rental arrangement of five years from the Listing Date.

(e) Other trust expenses include recurring expenses such as annual listing fee, registrar and secretarial fees, distribution related costs, audit and tax compliance fees, valuation fees, costs associated with the preparation of annual reports, investor relations costs and other miscellaneous costs.

(f) Finance expenses generally include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S$5.2 million for 1Q2018 were S$0.3 million or 5.8% higher than that of 1Q2017 mainly due to additional interest expense incurred on the additional borrowings drawn down to partially fund the asset enhancement at VBP and the acquisition of 6 Chin Bee Avenue.

(g) This relates to unrealised fair value loss arising from the revaluation of the investment properties as at 31 March 2018. Please refer to note (a) on page 9 of this announcement for further details.

(h) This relates to the change in fair value of interest rate swaps entered into to fix the interest rates for a substantial portion of the Stapled Group's floating rate borrowings. In accordance with Financial Reporting Standard ("**FRS**") 109 – *Financial Instruments*, the change in fair value of interest rate swaps is recognised in the consolidated statement of total return.

The fair value gain on interest rate swaps of S$1.4 million in 1Q2018 was mainly due to the increase in the Singapore dollar Swap Offer Rate ("**SOR**") in 1Q2018.

(i) In 1Q2017, the Income Tax Act was amended to allow tax transparency treatment to be accorded to rental income support payments received on or after 29 December 2016 subject to certain conditions being met. In this connection, the REIT Manager submitted an application to the Inland Revenue Authority of Singapore ("**IRAS**") to seek an advance ruling on whether tax transparency treatment would be accorded to the rental support received/receivable by VI-REIT under the UEBH rental arrangement and the JS rental support arrangement from 29 December 2016 onwards in accordance with the relevant provisions of the amended Income Tax Act. However, the IRAS informed the REIT Manager that it would not make an advance ruling on the aforesaid tax treatment but would determine the tax treatment at the tax assessment stage.

Together with VI-REIT's tax advisers, the REIT Manager will continue to engage with the IRAS to seek its approval for tax transparency treatment to be accorded to the rental support received/receivable under the UEBH rental arrangement and the JS rental support arrangement. Further announcements will be made on the SGXNET when there are further developments on this matter.

Pending the outcome of the tax assessment, the Stapled Group has continued to make provision for income tax expense in respect of the rental support received/receivable under the UEBH rental arrangement for 1Q2018.

Income tax expense of S$0.5 million for 1Q2018 was S$23,000 or 4.7% lower than that of 1Q2017 mainly due to lower rental support in 1Q2018 as explained in note (a) above.

1(a)(ii) Distribution Statement

	Note	1Q2018		1Q2017		Inc / (Dec)	
		Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group %	VI-REIT Group %
Total return after income tax		**12,577**	**12,578**	**11,178**	**11,179**	**12.5**	**12.5**
Net tax adjustments (**Note A**)		3,592	3,592	6,628	6,628	(45.8)	(45.8)
Distributable income	(a)	**16,169**	**16,170**	**17,806**	**17,807**	**(9.2)**	**(9.2)**
Release of previously retained distributable income	(b)	1,779	1,779	-	-	n.m.	n.m.
Distribution declared	(c)	**17,948**	**17,949**	**17,806**	**17,807**	**0.8**	**0.8**
Distribution per Stapled Security (cents):							
For the period	(d)		1.838		1.854		(0.9)
Annualised			7.454		7.519		(0.9)

n.m. – not meaningful

Notes:

(a) The distributable income for 1Q2018 of S$16.2 million was S$1.6 million or 9.2% lower than that of 1Q2017 mainly due to all of the management fees payable to the REIT Manager and the Property Manager for 1Q2018 were paid/payable in cash instead of a combination of cash and Stapled Securities as explained in note (c) on page 5 of this announcement.

(b) This relates to the release of all the previously retained distributable income arising from the JS Rental Support Settlement as elaborated in note (a) on page 5 of this announcement.

(c) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the distribution of VI-REIT Group has been included for the purpose of calculating the DPS.

(d) Please refer to section 6 on page 16 of this announcement for the calculation of DPS.

Note A

	1Q2018		1Q2017		Inc / (Dec)	
	Stapled Group S$'000	**VI-REIT Group S$'000**	**Stapled Group S$'000**	**VI-REIT Group S$'000**	**Stapled Group %**	**VI-REIT Group %**
Net tax adjustments comprise:						
REIT Manager's fees payable in Stapled Securities	-	-	1,622	1,622	n.m.	n.m.
Property Manager's fees payable in Stapled Securities	-	-	669	669	n.m.	n.m.
REIT Trustee's fees	51	51	47	47	8.5	8.5
Adjustment for recognising rental income on a straight-line basis over the lease term	(396)	(396)	(634)	(634)	(37.5)	(37.5)
Amortisation of intangible asset	825	825	825	825	-	-
Amortisation of debt-related transaction costs	480	480	454	454	5.7	5.7
Change in fair value of investment properties	3,894	3,894	2,239	2,239	73.9	73.9
Change in fair value of derivative financial instruments	(1,442)	(1,442)	1,367	1,367	n.m.	n.m.
Other non-taxable items	180	180	39	39	361.5	361.5
Net tax adjustments	**3,592**	**3,592**	**6,628**	**6,628**	**(45.8)**	**(45.8)**

n.m. – not meaningful

Viva Industrial Trust
Unaudited Financial Statements Announcement
For the first quarter ended 31 March 2018

1(b) Statement of Financial Position

1(b)(i) Statement of Financial Position as at 31 March 2018

	Note	31 Mar 2018			31 Dec 2017		
		Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000	Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000
Non-current assets							
Investment properties	(a)	1,284,700	1,284,700	-	1,284,700	1,284,700	-
Intangible asset	(b)	1,953	1,953	-	2,778	2,778	-
		1,286,653	1,286,653	-	1,287,478	1,287,478	-
Current assets							
Trade and other receivables	(c)	20,102	20,102	-	21,445	21,445	-
Pledged deposits	(d)	1,230	1,230	-	1,230	1,230	-
Cash and cash equivalents	(e)	11,312	11,284	28	8,242	8,214	28
		32,644	32,616	28	30,917	30,889	28
Total assets		**1,319,297**	**1,319,269**	**28**	**1,318,395**	**1,318,367**	**28**
Non-current liabilities							
Trade and other payables	(f)	8,225	8,225	-	8,700	8,700	-
Interest-bearing borrowings	(g)	431,124	431,124	-	420,774	420,774	-
Derivative financial instruments	(h)	393	393	-	2,476	2,476	-
		439,742	439,742	-	431,950	431,950	-
Current liabilities							
Trade and other payables	(f)	32,774	32,768	6	35,364	35,359	5
Interest-bearing borrowings	(g)	99,850	99,850	-	99,770	99,770	-
Derivative financial instruments	(h)	754	754	-	113	113	-
Income tax payable		5,090	5,090	-	4,626	4,626	-
		138,468	138,462	6	139,873	139,868	5
Total liabilities		**578,210**	**578,204**	**6**	**571,823**	**571,818**	**5**
Net assets		**741,087**	**741,065**	**22**	**746,572**	**746,549**	**23**
Represented by:							
Stapled Securityholders' funds		**741,087**	**741,065**	**22**	**746,572**	**746,549**	**23**

Notes:

(a) Movements in the carrying value of investment properties during 1Q2018 are as shown below:

	S$'000
Carrying value of investment properties as at 1 January 2018	1,284,700
Stamp duty	126
Consideration for vehicular access rights over the ramp and certain parts of the property adjoining to 30 Pioneer Road	3,000
Capital expenditure incurred	768
	1,288,594
Change in fair value of investment properties recognised in the consolidated statement of total return	(3,894)
Carrying value of investment properties as at 31 March 2018	1,284,700

(b) This represents the carrying amount of unamortised rental differential to be provided to VI-REIT by the vendor of UEBH pursuant to the UEBH rental arrangement as described in note (d) on page 5 of this announcement.

Intangible asset decreased by S$0.8 million due to amortisation charge for 1Q2018.

(c) Decrease in trade and other receivables of S$1.3 million was mainly due to:

- deferred property tax of S$1.7 million charged to the statement of total return in 1Q2018;
- recovery of property tax of S$1.3 million from the respective lessee of the properties under master leases; and
- deferred marketing commission of S$0.3 million charged to the statement of total return in 1Q2018, partially offset by:
  - increase in accrued revenue of S$0.4 million due to recognition of rental income on a straight-line basis over the lease term of the respective leases;
  - increase in trade receivables of S$0.8 million; and
  - deferred marketing commission of S$0.8 million incurred in 1Q2018.

(d) Pledged deposits represent bank balances that are pledged as security for Loan Facility II and Loan Facility IV (as defined hereinafter) as disclosed on page 12 of this announcement.

(e) Cash and cash equivalents increased by S$3.1 million as a result of net cash generated from operating activities of S$21.2 million, partially offset by net cash used in investing activities of S$4.2 million and net cash used in financing activities of S$13.9 million. Please refer to the consolidated statement of cash flows for 1Q2018 on page 14 of this announcement for further details.

(f) Non-current trade and other payables comprise security and other deposits received from tenants. Decrease in total trade and other payables of S$3.1 million was mainly due to:

- decrease in property tax payable of S$2.7 million;
- decrease in security deposits received from tenants of S$0.5 million;
- decrease in net GST payable of S$0.4 million; and
- decrease in interest payable of S$1.1 million, partially offset by:
  - increase in payables and accruals for trust and property-related expenses (including capital expenditure) of S$1.3 million; and
  - increase in retention sums payable of S$0.3 million.

(g) Increase in total interest-bearing borrowings of S$10.4 million was mainly due to:

- drawdown of S$10 million of the revolving credit facility under Loan Facility I (as defined hereinafter); and
- amortisation of debt-related transaction costs of S$0.5 million for 1Q2018;
- partially offset by debt-related transaction costs of S$0.1 million incurred on Loan Facility I.

Please refer to section 1(b)(ii) – Aggregate Amount of Borrowings for further details of the borrowings.

(h) This represents the fair value of interest rate swaps entered into to fix the interest rates for a substantial portion of the Stapled Group's floating rate borrowings.

Except for an interest rate swap maturing in February 2020, the fair value of all the interest rate swaps maturing in February 2019 has been reclassified from non-current liabilities as at 31 December 2017 to current liabilities as at 31 March 2018.

Under the interest rate swaps, the Stapled Group pays interest at fixed rates and receives interest at floating rates based on the Singapore dollar SOR. The decrease in derivative financial liabilities was mainly due to the increase in the Singapore dollar SOR in 1Q2018.

(i) As at 31 March 2018, the Stapled Group's current liabilities exceeded its current assets by S$105.8 million (31 December 2017: S$109.0 million) mainly due to the classification of its S$100 million MTN as current liabilities as the S$100 million MTN will be repayable in September 2018, i.e. within one year. The aforesaid S$100 million MTN can be refinanced by issuing new MTN of the same amount under the S$500 million Multicurrency MTN Programme, which has an undrawn balance of S$400 million. As such, the Managers are of the view that the Stapled Group will be able to meet its obligations as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Note	Stapled Group	
		31 Mar 2018 S$'000	31 Dec 2017 S$'000
Secured borrowings	(a)		
Amount repayable after one year		435,000	425,000
Less: Unamortised transaction costs		(3,876)	(4,226)
		431,124	420,774
Unsecured borrowings	(b)		
Amount repayable within one year		100,000	100,000
Less: Unamortised transaction costs		(150)	(230)
		99,850	99,770
Total borrowings		**530,974**	**520,544**
Current		99,850	99,770
Non-current		431,124	420,774
		530,974	**520,544**
Gearing ratio	(c)	**40.6%**	**39.8%**

Details of borrowings and collateral:

(a) Secured borrowings

(i) VI-REIT has in place a Singapore dollar denominated senior four-year secured term loan facility and a Singapore dollar senior five-year secured term loan facility, each amounting to S$140 million, from a syndicate of lenders (the "**Syndicated Lenders**") (the "**Term Loan Facilities**"). In addition, VI-REIT has in place a committed revolving credit facility of S$50 million from the Syndicated Lenders (the "**Revolving Credit Facility**", together with the Term Loan Facilities, the "**Loan Facility I**").

The Loan Facility I bears interest at rates based on the aggregate of a margin plus SOR per annum and is secured by way of the following:

- mortgages over three properties, namely UEBH, VBP and Mauser Singapore (the "**Loan Facility I Mortgaged Properties**");
- a debenture creating first fixed and floating charges on all present and future assets in relation to the Loan Facility I Mortgaged Properties and replacement properties (if any);
- an assignment of the relevant lease agreements, acquisition agreement, services agreement, rental support arrangement, bankers' guarantees and other key agreements in relation to the Loan Facility I Mortgaged Properties;
- an assignment of all tenancy agreements, sale agreements (including sale proceeds and rental proceeds), certain bank accounts and all sums from time to time which VI-REIT is entitled to receive from the Loan Facility I Mortgaged Properties; and
- an assignment of all insurance policies (including insurance proceeds) in relation to the Loan Facility I Mortgaged Properties.

As at 31 March 2018, S$280 million in aggregate of the Term Loan Facilities has been fully drawn down and S$25 million of the Revolving Credit Facility has been utilised.

(ii) VI-REIT has in place a Singapore dollar denominated senior five-year secured bilateral term loan facility amounting to S$73 million (the "**Loan Facility II**").

The Loan Facility II bears interest at a rate which is based on the aggregate of a margin plus SOR per annum. The Loan Facility II is secured by way of the following:

- a mortgage over 11 Ubi Road 1, and a deed of assignment of the building agreement (together with a mortgage-in-escrow) in relation to HFB (11 Ubi Road 1 and HFB collectively known as the "**Loan Facility II Mortgaged Properties**");
- a debenture creating fixed and floating charges on all present and future assets in relation to the Loan Facility II Mortgaged Properties;
- an assignment of the relevant lease agreements and acquisition agreements in relation to the Loan Facility II Mortgaged Properties;
- an assignment of the relevant sale agreements (including sale proceeds), insurance policies, tenancy agreements (including tenancy proceeds) and bankers' guarantees given, in each case, in relation to the Loan Facility II Mortgaged Properties;
- charges over the rental proceeds bank accounts and a sale proceeds bank account in relation to the Loan Facility II Mortgaged Properties; and
- a charge over a fixed deposit of S$1.0 million.

As at 31 March 2018, the Loan Facility II of S$73 million has been fully drawn down.

(iii) VI-REIT has in place a Singapore dollar denominated senior five-year secured bilateral term loan facility amounting to S$22 million (the "**Loan Facility III**").

The Loan Facility III bears interest at a rate which is based on the aggregate of a margin plus SOR per annum. The Loan Facility III is secured by way of the following:

- a mortgage over 30 Pioneer Road; and
- an assignment and charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of the tenancy agreements, the bank guarantees, the rental proceeds and the tenancy account, in each case, in relation to 30 Pioneer Road.

As at 31 March 2018, the Loan Facility III of S$22 million has been fully drawn down.

(iv) VI-REIT has in place a Singapore dollar denominated senior five-year secured bilateral term loan facility amounting to S$35 million (the "**Loan Facility IV**").

The Loan Facility IV bears interest at a rate which is based on the aggregate of a margin plus SOR per annum. The Loan Facility IV is secured by way of the following:

- a mortgage over 6 Chin Bee Avenue;
- an assignment of all of VI-REIT's rights, benefits, title and interest in, under and arising out of all policies and contracts of insurance (other than public liability insurance), in each case, in relation to 6 Chin Bee Avenue;
- an assignment and charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of, *inter alia*, sale agreements, tenancy agreements, performance guarantees, sale proceeds, rental proceeds, sale proceeds account and tenancy account, in each case, in relation to 6 Chin Bee Avenue; and
- a charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of a debt service reserve account of S$230,000.

As at 31 March 2018, the Loan Facility IV of S$35 million has been fully drawn down.

VI-REIT has entered into interest rate swaps to fix the interest rates for 78.9% of its outstanding floating rate borrowings as at 31 March 2018.

(b) Unsecured borrowings

The Stapled Group issued S$100 million in principal amount of four-year Singapore dollar MTN comprised in series 001 (the "**Series 001 Notes**") in September 2014 (maturing in September 2018) under its S$500 million Multicurrency MTN Programme. The Series 001 Notes are unsecured and bear interest at a fixed rate of 4.15% per annum payable semi-annually in arrears.

(c) Gearing ratio

Gearing ratio is computed based on total gross borrowings over total assets.

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1(c) Consolidated Statement of Cash Flows

	Stapled Group	
	1Q2018 S$'000	1Q2017 S$'000
Cash flows from operating activities		
Total return for the period before income tax	13,041	11,665
Adjustments for:		
Effects of recognising rental income on a straight-line basis over the lease term	(396)	(634)
Finance income	(4)	(5)
Finance expenses	5,231	4,942
Change in fair value of investment properties	3,894	2,239
Change in fair value of derivative financial instruments	(1,442)	1,367
Amortisation of intangible asset	825	825
REIT Manager's fees payable in Stapled Securities	-	1,622
Property Manager's fees payable in Stapled Securities	-	669
Operating income before working capital changes	**21,149**	**22,690**
Changes in working capital:		
Trade and other receivables	1,741	1,044
Trade and other payables (Note (a))	(1,645)	(1,154)
Cash generated from operations	**21,245**	**22,580**
Income taxes paid	-	(41)
Net cash generated from operating activities	**21,245**	**22,539**
Cash flows from investing activities		
Acquisition of an investment property	-	(73,317)
Payment of stamp duty for an investment property	-	(154)
Capital expenditure incurred (Note (a))	(4,237)	(6,151)
Interest received	1	4
Net cash used in investing activities	**(4,236)**	**(79,618)**
Cash flows from financing activities		
Payment of issue expenses	-	(29)
Proceeds from borrowings	10,000	54,000
Payment of debt-related transaction costs	(50)	(378)
Payment of finance expenses	(5,827)	(5,479)
Distributions paid to Stapled Securityholders	(18,062)	(9,612)
Net cash (used in) / generated from financing activities	**(13,939)**	**38,502**
Net increase / (decrease) in cash and cash equivalents	3,070	(18,577)
Cash and cash equivalents at beginning of the period	8,242	29,462
Cash and cash equivalents at end of the period	**11,312**	**10,885**

Note:

(a) During 1Q2018, the Stapled Group incurred S$3,768,000 (1Q2017: S$941,000) of capital expenditure on investment properties and S$10,449,000 (1Q2017: S$10,291,000) were included in trade and other payables as at the end of the financial period. Cash payments of S$4,237,000 (1Q2017: S$6,151,000) were made for capital expenditure during 1Q2018.

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1(d)(i) Consolidated Statement of Changes in Stapled Securityholders' Funds

	Stapled Group	
	1Q2018 S$'000	1Q2017 S$'000
Balance at beginning of the period	**746,572**	**738,947**
Operations		
Total return for the period after income tax	12,577	11,178
Net increase in net assets resulting from operations	**12,577**	**11,178**
Stapled Securityholders' transactions		
Issuance of new Stapled Securities in connection with the acquisition of an investment property	-	23,000
Issue expenses	-	(29)
Stapled Securities issued and issuable:		
- As payment of REIT Manager's fees	-	1,622
- As payment of Property Manager's fees	-	669
Distribution to Stapled Securityholders	(18,062)	(9,612)
Net (decrease) / increase in net assets resulting from Stapled Securityholders' transactions	**(18,062)**	**15,650**
Balance at end of the period	**741,087**	**765,775**

1(d)(ii) Details of any changes in the number of Stapled Securities

	Stapled Group	
	1Q2018 Units	1Q2017 Units
Stapled Securities in issue at beginning of the period	**972,658,241**	**931,405,379**
Issuance of new Stapled Securities in connection with the acquisition of an investment property	-	30,483,700
New Stapled Securities issued as payment of:		
- REIT Manager's fees	-	1,898,457
- Property Manager's fees	-	786,548
Total issued Stapled Securities	**972,658,241**	**964,574,084**
New Stapled Securities issuable as payment of:		
- REIT Manager's fees	3,100,366	2,052,983
- Property Manager's fees	-	846,516
Total issued and issuable Stapled Securities at end of the period	**975,758,607**	**967,473,583**

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited but have been reviewed by the auditors of the Stapled Group in accordance with the Singapore Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please refer to the auditor's report accompanying this announcement.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation applied in the Stapled Group's financial statements for the current financial period are consistent with those applied in its audited financial statements for the financial year ended 31 December 2017, except that in the current financial period, the Stapled Group has adopted all the new and revised FRSs that are effective for annual periods beginning on or after 1 January 2018. The adoption of these new and revised FRSs did not have any material effect on the financial performance or position of the Stapled Group.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to section 4 above.

6 Earnings per Stapled Security ("EPS") and Distribution per Stapled Security ("DPS") for the period

	Note	Stapled Group	
		1Q2018	1Q2017
EPS is calculated based on:			
Total return after income tax (S$'000)		12,577	11,178
Weighted average number of issued and issuable Stapled Securities during the period ('000)		975,759	959,526
Basic and diluted EPS (cents)	(a)	1.289	1.165
DPS is calculated based on:			
Distribution declared for the period (S$'000)	(b)	17,949	17,807
Applicable number of Stapled Securities for calculation of DPS ('000)		975,759	959,954
DPS (cents)	(c)	1.838	1.854

Notes:

(a) Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments in issue during the period.

(b) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the distribution of VI-REIT Group has been included for the purpose of calculating the DPS. Please refer to section 1(a)(ii) for the Distribution Statement for 1Q2018.

(c) The pro forma DPS for 1Q2018 without the effects of rental support would have been 1.446 cents (1Q2017: 1.605 cents). Had the management fees payable to the REIT Manager and the Property Manager for 1Q2018 continued to be paid by a combination of cash and Stapled Securities, the pro forma DPS for 1Q2018 without the effects of rental support would have been 1.668 cents (1Q2017: 1.605 cents).

7 Net asset value ("NAV") and net tangible assets ("NTA") per Stapled Security based on the number of issued and issuable Stapled Securities at the end of the period

	Stapled Group	
	31 Mar 2018	**31 Dec 2017**
NAV / NTA per Stapled Security is calculated based on:		
Net assets (S$'000)	741,087	746,572
Net tangible assets (S$'000)	739,134	743,794
Number of Stapled Securities ('000):		
- issued	972,659	972,659
- issuable	3,100	3,100
	975,759	975,759
NAV per Stapled Security (cents)	75.95	76.51
NTA per Stapled Security (cents)	75.75	76.23

8 A review of the performance for the quarter ended 31 March 2018

A review of the performance for 1Q2018 is set out in section 1(a) – Consolidated Statement of Total Return for 1Q2018 and section 1(b)(i) – Statement of Financial Position as at 31 March 2018.

9 Where a forecast, or a prospect statement, has been previously disclosed to Stapled Securityholders, any variance between it and the actual results

No forecast or prospect statement for the financial year ending 31 December 2018 has been previously disclosed to Stapled Securityholders.

10 Commentary on the significant trends and competitive conditions of the industry in which the Stapled Group operates and any known factors or events that may affect the Stapled Group in the next reporting period and the next 12 months

Based on advance estimates[1], the Singapore economy grew by 4.3% on a year-on-year (y-o-y) basis in 1Q2018, higher than the 3.6% growth in the fourth quarter of last year. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.4%, a moderation from the 2.1% growth in the fourth quarter. The manufacturing sector grew by 10.1% on a y-o-y basis in the first quarter, faster than the 4.8% growth in the previous quarter. All the clusters within the sector expanded, with the electronics and precision engineering clusters contributing the most to the sector's growth.

Furthermore, the March 2018 reading of Singapore Purchasing Managers' Index ("**PMI**") recorded an expansion at 53.0[2] from an earlier 52.7 in February. This was a notch faster than economists' expectations of 52.8, according to a poll by Bloomberg. The PMI, based on surveys, is a leading indicator of economic activity. The latest PMI reading was attributed mainly to faster growth in factory output, as well as higher new orders and new exports.[3]

While the manufacturing sector had been experiencing robust growth, performance in the industrial real estate sector had been more muted. According to JTC's Quarterly Market Report for 1Q2018[4], both the occupancy and rentals of industrial space experienced some decline, with occupancy rate of the overall industrial property market dipping marginally by 0.4 percentage points y-o-y and rental indices shrinking by 2.0% y-o-y. However, the business park segment stood out with a 6.9% rental recovery and 1.1 percentage points improvement in occupancy compared to a year ago. According to JLL[5], this robust out-turn by the business park segment was underpinned by steady demand amid the growth of the digital economy, lack of new supply, as well as the spill-over effects from the rise in office rents.

Looking ahead, JTC's data showed that another 1.4 million sqm gross floor area of new industrial space is expected to come on-stream for the rest of 2018. This figure is lower than the average annual supply of industrial space at around 1.7 million sqm in the past 3 years but still higher than the 3-year average of 1.2 million sqm of demand. JLL cited that with the improvement in the overall economy, logistics and warehouse rents could potentially see some upside by year-end on the back of an expected reduction in vacant stock while the business park segment is expected to continue to outperform the general market given steady demand.

Against this backdrop, the REIT Manager has, in 1Q2018, renewed about 61,400 sqft or 10.2% of the total area of approximately 602,500 sqft due for renewal in FY2018 with an overall positive rental reversion of 2.6% (similar to 2017 full year positive rental reversion of 2.6%). In addition, the REIT Manager has secured about 87,900 sqft of new leases in 1Q2018.

Positive Catalyst for 30 Pioneer Road

The construction of the vehicular link connecting 30 Pioneer Road to the adjoining property at 39 Benoi Road has been completed. The owner of 39 Benoi Road, GKE Warehousing & Logistics Pte Ltd, has granted VI-REIT vehicular access rights over the ramp and certain parts of 39 Benoi Road, thereby allowing container trucks to access the loading and unloading bays on every floor of 30 Pioneer Road via the vehicular ramp of 39 Benoi Road. With access via the vehicular ramp of 39 Benoi Road, 30 Pioneer Road has been transformed into a ramp-up logistics facility with container access to all levels.

[1] "Singapore's GDP Grew by 4.3 Per Cent in the First Quarter of 2018", Ministry of Trade and Industry Singapore, Press Release, 13 April 2018

[2] PMI Monthly Bulletin, Singapore Institute of Purchasing & Materials Management, March 2018

[3] http://www.straitstimes.com/business/economy/singapore-manufacturing-sector-expands-for-19th-straight-month-in-march, The Straits Times

[4] Quarterly market report, Industrial Properties, First Quarter 2018

[5] JLL News Flash, A bottom is in sight for industrial property market, 26 April 2018

Proposed Merger with ESR-REIT

On 28 January 2018, the Managers received a non-binding proposal from ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR Manager**") in relation to the proposed merger of VIT and ESR-REIT (the "**Proposed Merger**") and entered into exclusive discussions with the ESR Manager in relation to the Proposed Merger. At the date of this announcement, the Managers' exclusive discussions with the ESR Manager in relation to the Proposed Merger are still ongoing and no definitive legally binding agreements have been entered into with ESR-REIT or the ESR Manager in relation to the Proposed Merger. Please refer to the initial announcement dated 29 January 2018 and the subsequent update announcements dated 23 February 2018, 23 March 2018, 30 March 2018, 30 April 2018 and 15 May 2018 for further details on the Proposed Merger.

11 Distributions

11(a) Current financial period

Any distribution declared for the current period?

Yes.

Name of distribution:	Distribution for the period from 1 January 2018 to 31 March 2018
Distribution type:	Taxable income / Tax exempt income
Distribution rate:	1.838 cents per Stapled Security comprising (a) Taxable income - 1.424 cents (b) Tax exempt income - 0.414 cents
Tax Rate:	Taxable income distribution The distribution is made out of VI-REIT's taxable income. Stapled Securityholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their Stapled Securities through partnership or as trading assets). Tax exempt income distribution The distribution is made out of income that has been taxed on VI-REIT's trustee and will be exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. Stapled Securityholders are not entitled to claim tax credit against their Singapore income tax liability in respect of the tax paid at VI-REIT's trustee level.

11(b) Corresponding period of the immediately preceding financial year

Any distributions declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of distribution:	Distribution for the period from 1 January 2017 to 31 March 2017
Distribution type:	Taxable income / Tax exempt income
Distribution rate:	1.854 cents per Stapled Security comprising (a) Taxable income - 1.581 cents (b) Tax exempt income - 0.273 cents

Tax Rate:

Taxable income distribution
The distribution is made out of VI-REIT's taxable income. Stapled Securityholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their Stapled Securities through partnership or as trading assets).

Tax exempt income distribution
The distribution is made out of income that has been taxed on VI-REIT's trustee and will be exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. Stapled Securityholders are not entitled to claim tax credit against their Singapore income tax liability in respect of the tax paid at VI-REIT's trustee level.

11(c) **Books closure date**: 23 May 2018

11(d) **Date Payable**: 18 June 2018

12 **If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

13 **Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines**

In relation to the distribution to Stapled Securityholders for the period from 1 January 2018 to 31 March 2018 (the "**Distribution**"), the REIT Manager, in consultation with the REIT Trustee, hereby certifies that it is satisfied on reasonable grounds that, immediately after making the Distribution, VI-REIT will be able to fulfil, from its deposited property, its liabilities as and when they fall due.

VI-REIT's distribution policy is to distribute at least 90% of its annual distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

14 **If the Stapled Group has obtained a general mandate from Stapled Securityholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Stapled Group has not obtained a general mandate from its Stapled Securityholders for IPTs.

15 Segment revenue and results

	Stapled Group									
	1Q2018					1Q2017				
	Business Park S$'000	Hotel S$'000	Logistics S$'000	Light Industrial S$'000	Total S$'000	Business Park S$'000	Hotel S$'000	Logistics S$'000	Light Industrial S$'000	Total S$'000
Gross revenue	17,344	2,337	3,534	5,477	28,692	16,217	2,275	3,227	5,660	27,379
Property expenses	(6,441)	(100)	(109)	(991)	(7,641)	(5,961)	(80)	(100)	(898)	(7,039)
Net property income	**10,903**	**2,237**	**3,425**	**4,486**	**21,051**	**10,256**	**2,195**	**3,127**	**4,762**	**20,340**
Rental support	2,708	48	-	-	2,756	2,424	90	-	386	2,900
Reportable segment results	**13,611**	**2,285**	**3,425**	**4,486**	**23,807**	**12,680**	**2,285**	**3,127**	**5,148**	**23,240**
Unallocated items:										
- REIT Manager's fees					(1,797)					(1,798)
- REIT Trustee's fees					(51)					(47)
- Amortisation of intangible asset					(825)					(825)
- Other trust expenses					(414)					(362)
- Finance income					4					5
- Finance expenses					(5,231)					(4,942)
Net income					**15,493**					**15,271**
Change in fair value of investment properties					(3,894)					(2,239)
Change in fair value of derivative financial instruments					1,442					(1,367)
Total return for the period before income tax					**13,041**					**11,665**
Income tax expense					(464)					(487)
Total return for the period after income tax					**12,577**					**11,178**

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Managers confirm that we have procured undertakings from all our directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

17 Confirmation pursuant to Rule 705(5) of the Listing Manual

Pursuant to Rule 705(5) of the Listing Manual, we, on behalf of the directors of the Managers, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the respective board of directors of the Managers which may render the unaudited financial results of the Stapled Group for the quarter ended 31 March 2018 to be false or misleading in any material respect.

On behalf of the Board of Directors

Leong Horn Kee
Chairman

Wilson Ang Poh Seong
Chief Executive Officer and
Executive Director

By Order of the Board
Wilson Ang Poh Seong
Chief Executive Officer

Viva Industrial Trust Management Pte. Ltd.
(Company Registration No. 201204203W)
As manager of Viva Industrial Real Estate Investment Trust

Viva Asset Management Pte. Ltd.
(Company Registration No. 201316690M)
As trustee-manager of Viva Industrial Business Trust

15 May 2018

Viva Industrial Trust
Unaudited Financial Statements Announcement
For the first quarter ended 31 March 2018

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any Stapled Securities of VIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Stapled Securities and the income derived from them may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, Perpetual (Asia) Limited (as trustee of VI-REIT) or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of VIT. The forecast financial performance of VIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.

Deloitte.

Deloitte & Touche LLP
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6 Shenton Way
OUE Downtown 2
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Singapore 068809

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15 May 2018

The Board of Directors

Viva Asset Management Pte. Ltd.
(as trustee-manager of Viva Industrial Business Trust) (the "Trustee-Manager")
750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Viva Industrial Trust Management Pte. Ltd.
(as manager of Viva Industrial Real Estate Investment Trust) (the "REIT Manager")
750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Perpetual (Asia) Limited
(as trustee of Viva Industrial Real Estate Investment Trust)
8 Marina Boulevard #05-02
Marina Bay Financial Centre Tower 1
Singapore 018981

Attention: Mr Ang Poh Seong

Dear Sir

Review of Interim Financial Information
For the three-month period ended 31 March 2018

Introduction

We have reviewed:

(i) the interim financial information of Viva Industrial Business Trust ("VI-BT") for the three-month period ended 31 March 2018;

(ii) the interim financial information of Viva Industrial Real Estate Investment Trust ("VI-REIT") and its subsidiary (collectively referred to as "VI-REIT Group") for the three-month period ended 31 March 2018; and

(iii) the interim financial information of Viva Industrial Trust for the three-month period ended 31 March 2018.

Viva Industrial Trust, which comprises VI-BT and VI-REIT Group, is hereinafter referred to as the "Stapled Group".

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Deloitte.

The accompanying interim financial information comprises the statements of financial position of VI-BT, VI-REIT Group and the Stapled Group as at 31 March 2018; the statement of comprehensive income of VI-BT, statements of total return of VI-REIT Group and the Stapled Group, distribution statements of VI-REIT Group and the Stapled Group, statement of movements in unitholders' funds of the Stapled Group and statement of cash flows of the Stapled Group, all for the three-month period ended 31 March 2018; and certain explanatory notes to the interim financial information.

The Trustee-Manager is responsible for the preparation and fair presentation of the interim financial information of VI-BT in accordance with Financial Reporting Standard 34 *Interim Financial Reporting* ("FRS 34"). The REIT Manager is responsible for the preparation and fair presentation of the interim financial information of VI-REIT Group and the Stapled Group in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less than the scope of an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review,

(a) nothing has come to our attention that causes us to believe that the accompanying interim financial information of VI-BT is not prepared, in all material respects, in accordance with FRS 34; and

(b) nothing has come to our attention that causes us to believe that the accompanying interim financial information of VI-REIT Group and the Stapled Group are not prepared, in all material respects, in accordance with RAP 7.

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Restriction of use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim financial information for the purpose of assisting the Stapled Group in meeting the requirements of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Stapled Group's announcement of its interim financial information for the information of its stapled securityholders. We do not assume responsibility to anyone other than the Stapled Group for our work, for our report, or for the conclusions we have reached in our report.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

15 May 2018

KPMG

KPMG Corporate Finance Pte Ltd
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Internet www.kpmg.com.sg

The Directors

Viva Industrial Trust Management Pte. Ltd.
(as REIT manager of Viva Industrial Real Estate Investment Trust)

Viva Asset Management Pte. Ltd.
(as trustee-manager of Viva Industrial Business Trust)

750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Perpetual (Asia) Limited
(as trustee of Viva Industrial Real Estate Investment Trust)
8 Marina Boulevard #05-02
Marina Bay Financial Centre Tower 1
Singapore 018981

15 May 2018

Dear Sirs

PROPOSED MERGER OF ESR-REIT AND VIVA INDUSTRIAL TRUST ("VIT") BY WAY OF A TRUST SCHEME ARRANGEMENT

1. On 15 May 2018, the directors (the "**Directors**") of Viva Industrial Trust Management Pte. Ltd. and Viva Asset Management Pte. Ltd. (collectively, the "**VIT Managers**") announced the unaudited consolidated financial statements of VIT for the first quarter ended 31 March 2018 (the "**1Q18 Results**"). We have examined the 1Q18 Results and have discussed the same with the management of the VIT Managers who are responsible for their preparation. We have also considered the report by Deloitte & Touche LLP (VIT's auditor) dated 15 May 2018 on their review of the 1Q18 Results.

2. For the purposes of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us by VIT. Save as provided in this letter, we do not express any opinion and views on the 1Q18 Results. The Directors of the VIT Managers remain solely responsible for the 1Q18 Results.

3. Based on the above, we are of the opinion that the 1Q18 Results have been prepared by the VIT Managers after due and careful enquiry.

4. This letter is provided to the Directors of the VIT Managers solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept responsibility for any person(s), other than the

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Directors of the VIT Managers, in respect of, arising out of, or in connection with this letter.

Yours faithfully

for and on behalf of

KPMG Corporate Finance Pte Ltd

Vishal Sharma
Executive Director

Jeremy Bogue
Director

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North Tower, Level 18
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Perpetual (Asia) Limited
(in its capacity as Trustee of Viva Industrial Real Estate Investment Trust) (the "Trustee")
16 Collyer Quay, #07-01
Singapore 049318

The Board of Directors
Viva Industrial Trust Management Pte Ltd
(in its capacity as Manager of Viva Industrial Real Estate Investment Trust) (the "REIT Manager")
750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

The Board of Directors
Viva Asset Management Pte Ltd
(in its capacity as Trustee-Manager of Viva Industrial Business Trust) (the "Trustee-Manager")
750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

(the REIT Manager and the Trustee-Manager, collectively termed as the "Managers")

Report on the Compilation of Pro Forma Consolidated Financial Information Included in the Viva Industrial Trust Scheme Document dated 7 August 2018

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of ESR-REIT (the "Trust") and its subsidiaries (collectively, the "Group") in relation to the proposed merger with Viva Industrial Trust ("VIT") which will be effected through the acquisition by the Trust of all the VIT Stapled Securities held by the VIT Stapled Securityholders by way of a trust scheme of arrangement (the "Scheme"), to form the Enlarged Trust (the "Merger") by ESR Funds Management (S) Limited (in its capacity as the Manager of ESR-REIT) (the "ESR Manager"). The pro forma consolidated financial information consists of the pro forma consolidated statement of total returns and distributable income for the year ended 31 December 2017, the pro forma consolidated statement of financial position as at 31 December 2017 and related notes (the "Unaudited Pro Forma Consolidated Financial Information") as set out in Appendix L of the Scheme Document. The applicable criteria on the basis of which the ESR Manager has compiled the Unaudited Pro Forma Consolidated Financial Information are described in Appendix L.

The Unaudited Pro Forma Consolidated Financial Information has been compiled by the ESR Manager to illustrate the effect of the Merger with VIT on the Group's consolidated statement of total returns and distributable income for the year ended 31 December 2017 as if the Merger had occurred on 1 January 2017; and on the Group's consolidated statement of financial position as at 31 December 2017 as if the Merger had occurred on 31 December 2017. As part of this process, information about the Unaudited Pro Forma Consolidated Financial Information has been compiled by the ESR Manager based on the following:

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a) The audited consolidated financial statements of the Group for the year ended 31 December 2017, which were prepared in accordance with Singapore Financial Reporting Standards and presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"; and

b) The audited consolidated financial statements of VIT for the year ended 31 December 2017, which were prepared in accordance with Singapore Financial Reporting Standards and presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

The ESR Manager's Responsibility for the Unaudited Pro Forma Consolidated Financial Information

The ESR Manager is responsible for compiling the Unaudited Pro Forma Consolidated Financial Information on the basis of the criteria.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the ESR Manager on the basis of the criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the Reporting Accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance on whether the ESR Manager has compiled, in all material respects, the Unaudited Pro Forma Consolidated Financial Information on the basis of the criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information.

The purpose of pro forma financial information included in a circular is solely to illustrate the effect of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the ESR Manager in the compilation of the Unaudited Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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(i) The related pro forma adjustments give appropriate effect to those criteria; and

(ii) The Unaudited Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Accountant's judgement, having regard to the Reporting Accountant's understanding of the nature of the entity, the event or transaction in respect of which the consolidated pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

a) The Unaudited Pro Forma Consolidated Financial Information has been compiled:

   (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which were prepared in accordance with Singapore Financial Reporting Standards and presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants;

   (ii) on the basis of the applicable criteria stated in Appendix L; and

b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Consolidated Financial Information is appropriate for the purpose of preparing such unaudited pro forma financial information.

This letter has been prepared for inclusion in the Viva Industrial Trust Scheme Document dated 7 August 2018 in connection with the proposed merger with ESR-REIT.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
7 August 2018

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Statement of Total Return for the year ended 31 December 2017

Assuming the Merger had occurred on 1 January 2017

	Year ended 31 December 2017 S$'000
Gross revenue	221,363
Property expenses	(61,110)
Net property income	160,253
Rental support	14,719
Management fees	(13,580)
Amortisation of intangible assets	(3,300)
Trust expenses	(4,007)
Interest income	132
Borrowing costs	(48,463)
Net income	105,754
Gain on disposal of investment properties	221
Change in fair value of financial derivatives	(811)
Change in fair value of investment properties	(261,282)
Total loss for the year before income tax	(156,118)
Income tax expense	(2,481)
Total loss for the year after income tax	(158,599)
Loss attributable to:	
Unitholders of the Trust and perpetual securities holders	(159,381)
Non-controlling interest	782
	(158,599)

Distributable income and distribution per unit ("DPU") for the year ended 31 December 2017

Assuming the Merger had occurred on 1 January 2017

	Year ended 31 December 2017 S$'000
Total loss after income tax, before distribution for the year	(159,381)
Add: Distribution adjustments (Note A)	280,693
Net income available for distribution to Unitholders	121,312
Retention of distributable income	(1,779)
Amount reserved for distribution to perpetual securities holders	(1,115)
Amount available for distribution	118,418
Applicable number of units for calculation of DPU ('000)	2,910,835
DPU (cents)	4.068

Note A - Distribution adjustments

	Year ended 31 December 2017 S$'000
Non-tax deductible/(taxable) items and other adjustments:	
Trustee's fees	744
Manager's fees paid/payable in units	6,592
Debt-related transaction costs	8,235
Change in fair value of investment properties	261,882
Change in fair value of financial derivatives	811
Legal and professional fees	532
Adjustment for straight-line rent and lease incentives	(2,714)
Dividend income from a subsidiary	(718)
Returns attributable to perpetual securities holders	1,115
Amortisation of intangible assets	3,300
Miscellaneous expenses	1,135
	280,914
Income not subject to tax:	
Gain on disposal of investment properties	(221)
Net effect of distribution adjustments	280,693

Statement of Financial Position of the Enlarged Trust as at 31 December 2017

Assuming the Merger had occurred on 31 December 2017

	As at 31 December 2017 S$'000
ASSETS	
Non-current assets	
Investment properties	2,936,900
Intangible assets	2,778
	2,939,678
Current assets	
Investment properties held for divestment	23,600
Trade and other receivables	29,819
Cash and cash equivalents	20,129
	73,548
Total assets	3,013,226
Current liabilities	
Trade and other payables	60,056
Interest-bearing borrowings	154,665
Provision for income tax	8,581
Amount due to non-controlling interest	60,600
	283,902
Non-current liabilities	
Trade and other payables	15,483
Interest-bearing borrowings	1,004,749
	1,020,232
Total liabilities	1,304,134

Statement of Financial Position of the Enlarged Trust as at 31 December 2017

Assuming the Merger had occurred on 31 December 2017

	As at 31 December 2017 S$'000
Net assets	1,709,092
Represented by:	
Unitholders' funds	1,557,977
Perpetual securities holders' funds	151,115
	1,709,092
Number of units issued and issuable ('000)	3,161,476
Net asset value per unit (cents)	49.28

INTRODUCTION

The unaudited *pro forma* consolidated financial information has been prepared in connection with the proposed merger with Viva Industrial Trust ("VIT") which will be effected through the acquisition by ESR-REIT of all the VIT Stapled Securities held by the Stapled Securityholders of VIT by way of a trust scheme of arrangement to form the Enlarged Trust (the "Merger"). Upon the completion of the Merger, VIT will become a wholly-owned sub-trust of ESR-REIT.

BASES AND ASSUMPTIONS UNDERLYING THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE ENLARGED TRUST

Basis of Preparation

The unaudited *pro forma* consolidated financial information of the Enlarged Trust has been prepared for illustrative purposes only, and is based on certain *pro forma* adjustments to show the *pro forma* financial effects on:

(a) The unaudited *pro forma* consolidated statement of financial position of the Enlarged Trust as at 31 December 2017 as if the Merger had occurred on 31 December 2017; and

(b) The unaudited *pro forma* consolidated statement of total return and distributable income of the Enlarged Trust for the year ended 31 December 2017 as if the Merger had occurred on 1 January 2017.

The unaudited *pro forma* consolidated financial information, because of its nature, may not give a true picture of the actual financial position and financial results of the Enlarged Trust.

The unaudited *pro forma* consolidated financial information of the Enlarged Trust for the year ended 31 December 2017 has been compiled based on the following:

(a) The audited consolidated financial statements of ESR-REIT for the year ended 31 December 2017, which were prepared in accordance with Singapore Financial Reporting Standards and presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"; and

(b) The audited consolidated financial statements of VIT for the year ended 31 December 2017, which were prepared in accordance with Singapore Financial Reporting Standards and presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

The auditors' reports on the consolidated financial statements of ESR-REIT and VIT do not contain any qualifications.

Assumptions

The unaudited *pro forma* consolidated financial information of the Enlarged Trust has been prepared based on the following key assumptions:

(i) the consideration for the Merger is settled by way of the issuance of approximately 1,561.2 million new ESR-REIT Units at an illustrative issue price of S$0.54 each and an aggregate cash consideration of S$93.7 million. The premium over the net assets of VIT is allocated to VIT's investment properties and is written off;

(ii) VIT's borrowings and related interest rate swaps are replaced with new banking facilities, which include a S$142.9 million revolving credit facility and S$500.0 million term loans at a weighted average "all-in" interest rate of 3.7% per annum;

(iii) the acquisition fees in respect of the acquisition of VIT's investment properties pursuant to the Merger are paid by way of the issuance of approximately 23.8 million new ESR-REIT Units at an illustrative issue price of S$0.54 each;

(iv) VIT's fee structure for asset management fees, property management fees and trustee fees are replaced with the fee structure in ESR-REIT's trust deed with effect from 1 January 2017 and all the asset management fees for VIT are paid by way of the issuance of 12.2 million new ESR-REIT Units at an illustrative issue price of S$0.54 each;

(v) the Preferential Offering of 262.8 million new ESR-REIT Units at an issue price of S$0.54 each to raise gross proceeds of S$141.9 million was completed on 31 December 2017 and such proceeds were used to repay debts related to the acquisition of an 80% interest in 7000 AMK LLP (formerly known as 7000 AMK Pte. Ltd.), which was completed on 14 December 2017; and

(vi) no other operational and trust level savings or potential synergies from the Merger have been taken into account in the preparation of the unaudited *pro forma* consolidated financial information of the Enlarged Trust.

OTHER NOTES

Change in fair value of investment properties

Included in the change in fair value of investment properties are fair value adjustments of S$213.5 million, which relate to acquisition-related costs and the premium over the net assets of VIT allocated to VIT's investment properties, assuming the Merger had occurred on 1 January 2017.

Pro forma DPU

For the purpose of calculating the *pro forma* DPU of the Enlarged Trust for the year ended 31 December 2017, the *pro forma* number of units is arrived at after taking into account the number of new ESR-REIT Units issued under the above assumptions (i), (iii) and (iv).

Pro forma net asset value per unit

For the purpose of calculating the *pro forma* net asset value per unit of the Enlarged Trust as at 31 December 2017, the *pro forma* number of units is arrived at after taking into account the number of new ESR-REIT Units issued under the above assumptions (i), (iii) and (v).

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Company Registration No. 200709839D

6 August 2018

Perpetual (Asia) Limited (in its capacity as Trustee of
Viva Industrial Real Estate Investment Trust)
c/o Viva Industrial Trust Management Pte Ltd (as Manager of
Viva Industrial Real Estate Investment Trust)
750 Chai Chee Road #04-03
Viva Business Park
Singapore 469000

Dear Sirs

VALUATION SUMMARY OF PORTFOLIO OF PROPERTIES COMPRISING: -

1. **750, 750A, 750B, 750C, 750D & 750E, VIVA BUSINESS PARK SINGAPORE 469000 to 469005**
2. **2, 4, 6 & 8 CHANGI BUSINESS PARK AVENUE 1, UE BIZHUB EAST, SINGAPORE 486015 TO 486018**
3. **81 TUAS BAY DRIVE, MAUSER SINGAPORE, SINGAPORE 637308**
4. **11 LORONG 3 TOA PAYOH, JACKSON SQUARE, SINGAPORE 319579**
5. **29 TAI SENG STREET, JACKSON DESIGN HUB, SINGAPORE 534120**
6. **11 UBI ROAD 1, SINGAPORE 408723**
7. **19 TAI SENG AVENUE, HOME-FIX BUILDING, SINGAPORE 534054**
8. **30 PIONEER ROAD, SINGAPORE 628502**
9. **6 CHIN BEE AVENUE, SINGAPORE 619930**

In accordance with instructions issued by Perpetual (Asia) Limited (in its capacity as Trustee of Viva Industrial Real Estate Investment Trust), Cushman & Wakefield VHS Pte. Ltd. ("C&W") have carried out a desktop valuation review as at material date, 31 March 2018, in respect of the abovementioned properties for the purpose of corporate reporting. Our instructions were to provide the market values and desktop valuation reports in respect of the above mentioned properties (the "Properties"), subject to the existing tenancies and occupational arrangements, based on the information disclosed to us.

C&W have prepared the desktop valuation reports (the "Reports") in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2015 Edition. The term 'Market Value' as used in the context of this valuation is defined as "the estimated amount for which a property should exchange on the date of valuation, between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The desktop valuation reviews have been made on the assumption that the property is sold in the open market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement that would serve to alter the value of the property.

As instructed, we provide a Valuation Summary letter of the desktop valuation reviews with a brief description of the Properties together with the key factors that have been considered in determining the market values of the Properties. The value conclusions reflect all information known by the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.

CUSHMAN & WAKEFIELD

DESKTOP VALUATION REVIEW OF A PORTFOLIO OF 9 PROPERTIES IN SINGAPORE

Reliance on This Letter

This letter is a Valuation Summary of the Reports that C&W have carried out and it does not contain all the necessary information and assumptions that are included in the desktop valuation reports dated 14 May 2018 and full valuation reports dated 31 December 2017. Further reference may be made to these reports, copies of which are held by the Manager.

The valuation contained in the Reports are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, the Manager and other related parties. Whilst C&W have endeavoured to obtain accurate information, it has not independently verified all the information provided by the Manager or other reliable and reputable agencies.

We have also assumed that all the leases are legally valid and enforceable and the Property has a proper legal title that can be freely transferable, leased and sub-leased in the market. Cushman & Wakefield has no reason to doubt the truth and accuracy of the information provided to us by the Manager which is material to the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Properties or for any expenses or taxation which may be incurred in effecting a sale. C&W have assumed that the Properties are free from encumbrances, restrictions or other outgoings of an onerous nature which would affect their market value, other than those which have been made known to C&W.

We have adopted the Discounted Cash Flow Analysis, Capitalization Approach and Comparison Method as the primary methods of valuation, in arriving at our opinion of the market value of the Properties. For further information on the methodologies, reference should be made to the Reports to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at. Our valuations have been undertaken on a GST exclusive basis.

Summary of Valuation

Our opinion of the market value of each of the Properties is stated in the tables below, subject to existing tenancies and occupational arrangements and assuming free from encumbrances. The following summarizes some of the key valuation assumptions and market value for each property: -

Property Address	Market Value as at 31 March 2018	Capitalization rate	Terminal Yield	Discount Rate
750, 750A, 750B, 750C, 750D & 750E, Viva Business Park, Singapore 469000 to 469005	S$350,000,000	6.75%	7.25%	8.00%
2, 4, 6 & 8 Changi Business Park Avenue 1, UE Bizhub East, Singapore 486015 to 486018	S$363,000,000 Business Park component (With rental income support)	5.50%	5.75%	8.00%
	S$358,000,000 Business Park component (Without rental income support)	5.50%	5.75%	8.00%
	S$160,000,000 Hotel component	5.25%	5.50%	8.00%



81 Tuas Bay Drive, Mauser Singapore, Singapore 637308	S$28,000,000	6.25%	6.50%	8.00%
11 Lorong 3 Toa Payoh, Jackson Square, Singapore 319579	S$73,200,000	6.50%	7.25%	8.00%
29 Tai Seng Street, Jackson Design Hub, Singapore 534120	S$33,400,000	6.00%	6.25%	8.00%
11 Ubi Road 1, Singapore 408723	S$85,000,000	6.50%	6.75%	8.00%
19 Tai Seng Avenue, Home-Fix Building, Singapore 534054	S$47,800,000	6.00%	6.25%	8.00%
30 Pioneer Road, Singapore 628502	S$55,000,000	6.50%	7.00%	8.00%
6 Chin Bee Avenue, Singapore 619930	S$94,300,000	6.25%	6.50%	8.00%

Disclaimer

This Valuation Summary letter is prepared for purposes of inclusion in the Viva Industrial Trust Scheme Document ("Scheme Document") to be dated on or around 7 August 2018 in connection with the proposed merger with ESR-REIT. We specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Scheme Document, other than in respect of the information presented in this valuation summary. We do not make any warranty or representation as to the accuracy of the information in any other part of the Scheme Document other than as expressly made or given in this valuation summary and Reports referred herein.

All information provided to us by the Manager is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the Manager is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

CUSHMAN & WAKEFIELD

We hereby certify that the Valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of properties in the respective localities.

Yours faithfully
For and on behalf of
Cushman & Wakefield VHS Pte. Ltd.

Chew May Yenk
Executive Director,
Valuation & Advisory
MSISV, Licensed Appraiser No AD41-2004419H

Claire Woo
Director,
Valuation & Advisory
MSISV, Licensed Appraiser No AD41-2006273E

APPENDIX N — SCHEME CONDITIONS

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the VIT Managers in Singapore from the Joint Announcement Date up until the Effective Date.

The Merger is conditional upon the following:

(a) Amendment of VIT Trust Deeds: the approval of Stapled Securityholders holding in aggregate not less than three-fourths of the total number of votes cast for and against the resolution at the Scheme Meeting for the amendment of the VIT Trust Deeds to include provisions that will facilitate the implementation of the Scheme as set out in part 1 of Appendix F;

(b) Stapled Securityholders' Approval for the Scheme: the approval of a majority in number of the Stapled Securityholders representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Scheme Meeting to approve the Scheme;

(c) Court Approval for the Scheme: the Scheme Court Order being obtained;

(d) Regulatory Approvals: 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 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;

    (ii) confirmation from the SIC that it has no objections to the Scheme Conditions;

    (iii) confirmation from the SIC that the Manager Arrangements will not be regarded as a prohibited special deal under the Code, subject to any conditions that the SIC may deem fit to impose and the satisfaction of any conditions imposed by the SIC in its ruling;

    (iv) confirmation from the SIC that the Tong Group be exempted from the requirements to make a mandatory general offer for ESR-REIT as a result of the increase in its unitholding in ESR-REIT pursuant to the Scheme;

    (v) approval-in-principle from the SGX-ST for the Scheme Document and for the proposed delisting of VIT from the SGX-ST;

    (vi) the approval-in-principle from the SGX-ST for the listing and quotation for the Consideration Units on the Main Board of the SGX-ST;

    (vii) approval of HDB or JTC (as the case may be) under the Head Leases in respect of the following VIT Real Properties to the Merger (including, if applicable, the final written confirmation by HDB or JTC (as the case may be) that it has no objection to the Parties proceeding with completion of the implementation of the Scheme):

        (A) the whole of Lot 8134N of Mukim 27 together with the building(s) thereon and known as 750 to 750E Chai Chee Road;

(B) the whole of Lot 5085T of Mukim 23 together with the building(s) thereon and known as 11 Ubi Road 1 and Lot 6392X of Mukim 23; and

(C) the whole of Lots 2681M and 2682W of Mukim 17 together with the building(s) thereon and known as 11 Lorong 3 Toa Payoh;

(viii) the approval from the MAS:

(A) pursuant to Section 97A of the Securities and Futures Act (Chapter 289 of Singapore) and Condition 1 of the VI-REIT Manager's capital markets services licence for the acquisition by the ESR-REIT Manager of all the issued and paid up shares in the capital of the VI-REIT Manager; and

(B) pursuant to Section 97A of the Securities and Futures Act (Chapter 289 of Singapore) and Condition 1 of the ESR-REIT Manager's capital markets services licence for the subscription by the Tong Group of a 25.0% shareholding interest in the ESR-REIT Manager; and

(ix) the approval from the SGX-ST for the acquisition by ESR-REIT of all the Stapled Securities pursuant to the Scheme (if required);

(e) ESR-REIT Unitholders' Approval for the Merger: the approval of the ESR-REIT Unitholders for:

(i) the Merger;

(ii) the issue of ESR-REIT Units in consideration for the Merger; and

(iii) the waiver of the requirement for the Tong Group to make a mandatory general offer for ESR-REIT as a result of the increase in its unitholding in ESR-REIT pursuant to the Scheme;

(f) No Legal or Regulatory Restraint: 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 implementation of the Scheme, being in effect as at the Record Date;

(g) No Prescribed Occurrence: between the date of the Implementation Agreement and up to the Record Date, no Prescribed Occurrence in relation to the VIT Group and/or the ESR-REIT Group (as the case may be) occurs other than as required or contemplated by the Implementation Agreement or the Merger;

(h) VIT Representations, Warranties and Covenants:

(i) there being no breach of the Warranties in relation to VIT 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); and

(ii) each of the VIT Managers having, as at the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date and which is material in the context of the Scheme;

(i) ESR-REIT Representations, Warranties and Covenants:

(i) there being no breach of the Warranties 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); and

(ii) the ESR-REIT Manager having, as at the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date and which is material in the context of the Scheme;

(j) Irrevocable Undertaking: contemporaneous with or prior to the execution of the Implementation Agreement, each of the Undertaking Stapled Securityholders enters into the VIT Deed of Undertaking with ESR-REIT, to, *inter alia*, vote all their Stapled Securities in favour of the Scheme at the Scheme Meeting; and

(k) Material Adverse Effect: 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:

(i) in relation to the VIT Group:

(A) in the consolidated net tangible asset value of the VIT Group by more than 10 per cent. as compared to the consolidated net tangible asset value of S$739,134,000 as at 31 March 2018 as stated in the unaudited financial statements announcements for the first quarter ended 31 March 2018 of VIT as announced on 15 May 2018, and as reflected in the later of (1) the latest publicly released consolidated unaudited financial statement of VIT prior to the Record Date, and (2) the consolidated unaudited management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the VIT Financial Statements) as at the calendar month-end of at least 28 calendar days prior to the Record Date; or

(B) in the consolidated gross revenue of the VIT Group for the 12-month period prior to the later of (1) the latest publicly released consolidated unaudited financial statement of VIT prior to Record Date, and (2) the consolidated unaudited management income statements (prepared using the same accounting policies and methods of computation with those applied in the VIT Financial Statements) as at the calendar month-end falling at least 28 calendar days prior to the Record Date, by more than 10 per cent. as compared to the consolidated gross revenue of the VIT Group of S$112,976,000 for the 12-month period prior to 31 March 2018,

(in each case, a "**VIT Material Adverse Effect**"); and

(ii) in relation to the ESR-REIT Group:

(A) in the consolidated net tangible asset value of the ESR-REIT Group by more than 10 per cent. as compared to the consolidated net tangible asset value of S$924,098,000 as at 31 March 2018 as stated in the unaudited financial statements announcement for the first quarter ended 31 March 2018 of ESR-REIT as announced on 20 April 2018, and as reflected in the later of (1) the latest publicly released consolidated unaudited financial statement of ESR-REIT prior to the Record Date, and (2) the consolidated unaudited management balance sheet (prepared using the same accounting policies and methods of computation with those applied in the ESR-REIT Financial Statements) as at the calendar month-end of at least 28 calendar days prior to Record Date; or

(B) in the consolidated gross revenue of the ESR-REIT Group for the 12-month period prior to the later of (1) the latest publicly released consolidated unaudited financial statement of ESR-REIT prior to Record Date, and (2) the consolidated unaudited management income statements (prepared using the same accounting policies and methods of computation with those applied in the ESR-REIT Financial Statements) as at the calendar month-end falling at least 28 calendar days prior to the Record Date, by more than 10 per cent. as compared to the consolidated gross revenue of the ESR-REIT Group of S$115,571,000 for the 12-month period prior to 31 March 2018,

(in each case, an "**ESR-REIT Material Adverse Effect**"); and

For the avoidance of doubt, distributions that have already been paid to the Stapled Securityholders or ESR-REIT Unitholders prior to the date of the Implementation Agreement, as well as the VIT Permitted Distributions and ESR-REIT Permitted Distributions shall not be taken into account in determining if there has been a VIT Material Adverse Effect or ESR-REIT Material Adverse Effect.

APPENDIX O — PRESCRIBED OCCURRENCES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the VIT Managers in Singapore from the Joint Announcement Date up until the Effective Date.

For the purpose of the Implementation Agreement, "**Prescribed Occurrence**", in relation to the VIT Group and the ESR-REIT Group, as the case may be, means any of the following:

(a) Stapled Securities/ESR-REIT Units Buy-back:

(i) VIT entering into a Stapled Securities buy-back agreement or resolving to approve the terms of a Stapled Securities buy-back agreement under the VIT Trust Deeds; and/or

(ii) ESR-REIT entering into a ESR-REIT Units buy-back agreement or resolving to approve the terms of a ESR-REIT Units buy-back agreement under the ESR-REIT Trust Deed;

(b) Allotment of Units/Shares:

(i) the VIT Managers making an allotment of, or granting an option to subscribe for, any Stapled Securities, shares of any entity within the VIT Group, securities convertible into Stapled Securities or shares of any company within the VIT Group, or agreeing to make such an allotment or to grant such an option or convertible security, or doing any of the foregoing with respect to the securities of VIT or shares of any company within the VIT Group; and/or

(ii) the ESR-REIT Manager making an allotment of, or granting an option to subscribe for, any ESR-REIT Units, shares of any entity within the ESR-REIT Group, securities convertible into ESR-REIT Units or shares of any company within the ESR-REIT Group, or agreeing to make such an allotment or to grant such an option or convertible security, or doing any of the foregoing with respect to the securities of ESR-REIT or shares of any company within the ESR-REIT Group, other than the Preferential Offering;

(c) Conversion of ESR-REIT Units/Stapled Securities:

(i) VIT sub-dividing or consolidating all or any of its Stapled Securities into a larger or smaller number of stapled securities; and/or

(ii) ESR-REIT sub-dividing or consolidating all or any of its ESR-REIT Units into a larger or smaller number of units;

(d) Amendment of Trust Deeds:

(i) the VIT Managers making any amendment to the VIT Trust Deeds, other than the VIT Trust Deeds Amendments; and/or

(ii) the ESR-REIT Manager making any amendment to the ESR-REIT Trust Deed, other than as contemplated under the Preferential Offering Circular;

(e) Issuance of Debt Securities: the VIT Group and/or the ESR-REIT Group issuing, or agreeing to issue, convertible notes or other debt securities;

(f) Distributions:

(i) the VIT Managers declaring, making or paying any distributions to the Stapled Securityholders, except for the VIT Permitted Distributions; and/or

(ii) the ESR-REIT Manager declaring, making or paying any distributions to the ESR-REIT Unitholders, except for the ESR-REIT Permitted Distributions;

(g) Injunctions: an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Merger or any part thereof by any of the VIT Managers, the ESR-REIT Manager, the ESR-REIT Trustee and/or the VI-REIT Trustee;

(h) Cessation of Business: VIT or ESR-REIT ceases or threatens to cease for any reason to carry on business in the usual ordinary course;

(i) Investigations and Proceedings: if any entity within the VIT Group or ESR-REIT Group or any of their respective directors (in their capacity as directors of the relevant entity) is the subject of any formal and material governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding;

(j) Resolution for Winding Up: VIT (or any entity within the VIT Group) or ESR-REIT (or any entity within the ESR-REIT Group) resolving that it be wound up;

(k) Order of Court for Winding Up: the making of an order by a court of competent jurisdiction for the winding up of VIT (or any entity within the VIT Group) or ESR-REIT (or any entity within the ESR-REIT Group);

(l) Appointment of Liquidator and Judicial Manager: the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of VIT (or any entity within the VIT Group) or ESR-REIT (or any entity within the ESR-REIT Group);

(m) Composition: VIT (or any entity within the VIT Group) or ESR-REIT (or any entity within the ESR-REIT Group) entering into any arrangement or general assignment or composition for the benefit of its creditors generally;

(n) Appointment of Receiver: the appointment of a receiver or a receiver and manager, in relation to the property or assets of VIT (or any entity within the VIT Group) or ESR-REIT (or any entity within the ESR-REIT Group);

(o) Insolvency: VIT (or any entity within the VIT Group) or ESR-REIT (or any entity within the ESR-REIT Group) becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts;

(p) Suspension or delisting from the SGX-ST: VIT or ESR-REIT being suspended by the SGX-ST or removed from the Main Board of the SGX-ST; or

(q) Analogous Event: any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

APPENDIX P — ESR-REIT WARRANTIES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the VIT Managers in Singapore from the Joint Announcement Date up until the Effective Date.

The ESR-REIT Manager and the ESR-REIT Trustee represent and warrant to the VIT Managers and the Offeree Trustee that:

1. ESR-REIT

1.1 Incorporation

(a) ESR-REIT has been duly constituted and is validly existing as a real estate investment trust under the laws of Singapore pursuant to the ESR-REIT Trust Deed.

(b) Each of the subsidiaries of ESR-REIT has been duly organised and is validly existing as a legal entity under the laws of the jurisdiction in which it is organised.

(c) The ESR-REIT Trustee holds, directly or indirectly, and the Unitholders are the beneficial owners of, the equity interest of each member of the ESR-REIT Group and holds such equity interest free from any Encumbrances.

1.2 Structure

As of the date of the Implementation Agreement and the Record Date, the structure of ESR-REIT as set out at Schedule 2B of the Implementation Agreement is true, accurate and complete.

1.3 ESR-REIT Units

(a) All the issued ESR-REIT Units have been duly authorised and validly issued, are fully paid-up and rank pari passu in all respects with each other. As at the date of the Implementation Agreement, ESR-REIT has issued an aggregate of 1,583,701,947 ESR-REIT Units.

(b) All the issued ESR-REIT Units are listed on the Main Board of SGX-ST and will continue to be so listed at the Record Date and there are no circumstances whereby such listing may be cancelled or revoked.

(c) Except as may be affected by actions contemplated, required or permitted by this Agreement, and other than any issue of ESR-REIT Units to ESR-REIT Manager as payment of their fees in accordance with the provisions of the ESR-REIT Trust Deed, pursuant to its Distribution Reinvestment Plan and the Preferential Offering, no options, warrants or other rights to purchase, agreements or other obligations of ESR-REIT to issue, or rights to convert any obligations into or exchange any securities for, ESR-REIT Units of or ownership interests in ESR-REIT Units are outstanding.

1.4 Consideration Units

(a) All the Consideration Units will, when issued, be duly authorised and validly issued, and be fully paid-up and rank pari passu in all respects with the existing ESR-REIT Units as at the date of their issue.

(b) All the Consideration Units shall be issued no later than seven (7) Business Days from the Effective Date.

(c) The Consideration Units shall 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.

2. POWER

The ESR-REIT Manager and the ESR-REIT Trustee have the corporate power to enter into, deliver and perform their obligations under this Agreement and to carry out the transactions contemplated by this Agreement.

3. AUTHORITY

Save for the approvals contemplated by Clause 3 of the Implementation Agreement, the ESR-REIT Manager and the ESR-REIT Trustee have taken all necessary corporate actions and obtained all necessary corporate approvals to authorise entry into this Agreement and to carry out the transactions contemplated by this Agreement.

4. BINDING OBLIGATION

The ESR-REIT Manager's and the ESR-REIT Trustee's obligations under this Agreement are valid, legally binding and enforceable in accordance with its terms.

5. NO BREACH

5.1 Neither the execution and delivery, nor performance by the ESR-REIT Manager nor any transaction contemplated under this Agreement will:

(a) conflict with or constitute a default under or result in a breach of any provision of the ESR-REIT Trust Deed or the constitutive documents of the ESR-REIT Manager or any member of the ESR-REIT Group;

(b) conflict with or constitute a default under or result in a breach of any order, writ, injunction or decree of any Governmental Authority applicable to the ESR-REIT Manager or any member of the ESR-REIT Group or its respective assets; or

(c) conflict with or constitute a default under or result in a breach of any agreement or instrument to which any of the ESR-REIT Manager or the ESR-REIT Group is a party, or any loan to or mortgage created by any member of the ESR-REIT Group, or relieve any other party to a contract with any member of the ESR-REIT Group of its obligations under such contract, or entitle such party to terminate or modify such contract, whether summarily or by notice, or result in the creation of any Encumbrance under any agreement, licence or other instrument, or result in a breach of any law, rule, regulation,

ordinance, order, judgment or decree of any court, Governmental Authority or regulatory body to which any of the ESR-REIT Manager or any member of the ESR-REIT Group is a party or by which any of the ESR-REIT Manager or the ESR-REIT Group or any of their respective assets is bound.

5.2 Save for the approvals contemplated by Clause 3 of the Implementation Agreement, all authorisations from, and notices or filings with, any Governmental Authority or other authority that are necessary to enable the ESR-REIT Manager and the ESR-REIT Group to execute, deliver and perform its obligations or actions contemplated to be taken by such entity under this Agreement have been obtained or made (as the case may be) and are in full force and effect and all conditions of each such authorisation have been complied with.

6. CONTRACTS

6.1 Debts, Contracts and Arrangements with Connected Persons etc.

Save as disclosed in the ESR-REIT Financial Statements, and as announced by the ESR-REIT Manager on SGXNET, there is no material interested person transaction (as defined in the Listing Manual) between any member of the ESR-REIT Group and an interested person (as defined in the Listing Manual) of ESR-REIT.

6.2 Contracts

(a) No member of the ESR-REIT Group is, or has been, a party to any contract or transaction which (i) is outside the ordinary and usual course of business, (ii) is not on an arm's length basis, or (iii) is of a loss-making nature that would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole.

(b) No member of the ESR-REIT Group:

(i) is, or has agreed to become a party to any agreement or arrangement which restricts its freedom to carry on its business in any part of the world in such manner as it thinks fit;

(ii) is, or has agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; or

(iii) is, or has agreed to become, a party to any material agreement or arrangement for participating with others in any business, sharing commissions or other income.

(c) All the contracts and all leases, tenancies, licences, concessions and agreements (breach of which will have a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole) and any amendments or waivers with respect thereto to which any member of the ESR-REIT Group is a party ("**ESR-REIT Material Contracts**") are valid, binding and enforceable obligations of the relevant member of the ESR-REIT Group, and so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, all other parties thereto, and the terms thereof have been complied with in all material respects by the relevant member of the ESR-REIT Group, and, so far as the ESR-REIT Manager and the ESR-REIT Trustee are

aware, all other parties thereto. So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, there are no circumstances that give rise to any material breach of such ESR-REIT Material Contracts.

(d) **Tenants**

(i) The loss of any single Occupier of any member of the ESR-REIT Group would not result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole.

(ii) There has been no communication in writing by any Major Occupier which would indicate that such Major Occupier intends to (A) terminate its current lease or (B) vacate its leased premises at the expiration of its current lease, whether or not in connection with the execution or completion of this Agreement, and no agreement exists with a Major Occupier with respect to any of the foregoing.

(iii) So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, no Major Occupier is insolvent or has been declared insolvent, and no action or request is pending or threatened to declare it insolvent, wind it up or to make it subject to any proceeding contemplated by any applicable insolvency law.

7. FULL DISCLOSURE

All information contained in this Agreement, the ESR-REIT Due Diligence Information and the ESR-REIT Disclosure Letter was, when given, and is, at the date of the Implementation Agreement, true and accurate in all material respects and not misleading and none of the above information contains any untrue statement of fact or omits to state a fact necessary to make the statement contained therein, in light of the circumstances under which they are made, not misleading provided always that no warranty or representation shall be given by the ESR-REIT Manager in relation to any forecast, estimate, projection or forward-looking statement which has been made by or on behalf of the ESR-REIT Group and/or the ESR-REIT Manager. As at the date of the Implementation Agreement, the ESR-REIT Manager and the ESR-REIT Trustee are not aware of any facts or matters or circumstances which renders or will render any such information untrue, inaccurate or misleading in any material respect. All material information relating to the ESR-REIT Group has been announced on SGXNET in compliance with its continuous disclosure requirements.

8. ACCOUNTS

8.1 Financial Statements

(a) The ESR-REIT Financial Statements have been properly drawn in accordance with the Singapore Financial Reporting Standards and all applicable law so as to give a true and fair view of the financial position of the ESR-REIT Group as at 31 December 2017, and the total return, distributable income, movements in ESR-REIT Unitholders' funds and cash flows of the ESR-REIT Group for the year ended on that date are in accordance

with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the ESR-REIT Trust Deed.

(b) The unaudited consolidated accounts of the ESR-REIT Group for the quarterly period ended 31 March 2018 were prepared using the same accounting policies and methods of computation with those applied in the ESR-REIT Financial Statements and are fair and not misleading and do not materially misstate the assets and liabilities of the ESR-REIT Group as at the relevant balance sheet date or the profits and losses of the ESR-REIT Group for the periods then ended.

8.2 Changes since 31 December 2017

There have been no material adverse changes in the financial position of the ESR-REIT Group, since 31 December 2017 up to the date of the Implementation Agreement when this Warranty in paragraph 8.2 is made on the date of the Implementation Agreement, and up to the Record Date when this Warranty in paragraph 8.2 is made on the Record Date, and since 31 December 2017:

(a) the businesses of the ESR-REIT Group have been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern;

(b) there has been no change in the accounting policies and principles adopted for the preparation of the ESR-REIT Financial Statements;

(c) the ESR-REIT Group has not entered into any transaction or assumed or incurred any liabilities (including contingent liabilities) or made any payment or given any guarantee, indemnity or suretyship not provided for in the ESR-REIT Financial Statements otherwise than in the ordinary and usual course of carrying on its business;

(d) the ESR-REIT Group's profits have not been affected to a material extent by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms;

(e) it has not entered into any unusual, long term and onerous commitments and contracts that would have a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole;

(f) no member of the ESR-REIT Group has entered into or proposed to enter into any capital commitments other than in the ordinary course of business; and

(g) save as disclosed in public announcements made by the ESR-REIT Manager on SGXNET up till the date of the Implementation Agreement and save for the ESR-REIT Permitted Distributions, no dividend or other distribution has been declared, made or paid to its Unitholders.

8.3 Absence of Undisclosed Liabilities

There are no material liabilities (including contingent liabilities) of the ESR-REIT Group which are outstanding on the part of each member of the ESR-REIT Group, other than (a) liabilities disclosed or adequately provided for in the ESR-REIT Financial Statements; (b) liabilities disclosed elsewhere in this Agreement; (c) liabilities incurred after 31 December 2017 in the ordinary and usual course of business which have not had and could not reasonably be expected to have a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole; or (d) as disclosed in public announcements made by the ESR-REIT Manager on SGXNET up till the date of the Implementation Agreement.

8.4 Trade and Other Receivables

So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, the receivables, including accrued revenue in the ESR-REIT Financial Statements, are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the ESR-REIT Financial Statements, reasonably be expected to be realised in the ordinary and usual course of business of the ESR-REIT Group. No new adverse events have occurred that would give doubt as to the ability to realise all current receivables (other than trade receivables) in the ordinary and usual course of business and in the case of trade receivables, after taking into account an up to 5% provision for bad and doubtful debts made in the ESR-REIT Financial Statements.

8.5 Provisions

The ESR-REIT Financial Statements make:

(a) full provision for all actual liabilities;

(b) proper and adequate provision (or note in accordance with good accountancy practice) for all contingent liabilities;

(c) proper and adequate provision or reserve for all bad and doubtful debts;

(d) due provision for depreciation and amortisation and for any obsolescence of assets; and

(e) full provision or reserve for all Taxation liable to be assessed in respect of the ESR-REIT Real Properties.

9. LEGAL MATTERS

9.1 Compliance with Laws

(a) Each member of the ESR-REIT Group has carried on and is carrying on its business and operations (including the ESR-REIT Real Properties) in accordance with its constitutional documents and in accordance with all applicable laws and regulations (including the Listing Manual and the Property Funds Appendix) in Singapore. As at the date of the Implementation Agreement, no complaints have been received from any third party with regard to any breach of such laws and regulations by any member of the ESR-REIT Group.

(b) There have not been and there are no breaches by any member of the ESR-REIT Group of its constitutional documents.

9.2 Licences and Consents

(a) All material statutory, municipal and other licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals and authorities necessary for the carrying on of the businesses and operations of the ESR-REIT Group and the ESR-REIT Real Properties have been obtained, are in full force and effect and all conditions applicable to such licences have been and are being complied with in all material respects, unless the failure to obtain such licences does not have a material adverse effect on the assets, business or financial position of the ESR-REIT Group taken as a whole.

(b) As far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, there is no investigation, enquiry or proceeding outstanding which is likely to result in the suspension, cancellation, modification or revocation of any of the above mentioned licences, nor has any member of the ESR-REIT Group received, any notice of such investigations, enquiries or proceedings. So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, none of the above mentioned licences is likely to be suspended, cancelled, refused, modified or revoked (whether as a result of entering into this Agreement, consummating the Merger, the Scheme or otherwise).

9.3 Litigation, Arbitration or Investigation

(a) As of the date of the Implementation Agreement, no litigation, arbitration or administrative proceeding is current or pending or, so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, threatened, to restrain the entry into, exercise of the ESR-REIT Manager's rights under and/or performance or enforcement of or compliance with its obligations under this Agreement.

(b) No claim, litigation, arbitration or administrative proceeding is current or pending or, so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, threatened against any member of the ESR-REIT Group or in respect of the ESR-REIT Real Properties which has or could result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole.

(c) As at the date of the Implementation Agreement, the ESR-REIT Manager has not received any notice of any investigation or enquiry by, any court, tribunal, arbitrator, Governmental Authority or regulatory body outstanding or anticipated against any member of the ESR-REIT Group or in respect of the ESR-REIT Real Properties.

9.4 Insolvency

None of the members of the ESR-REIT Group is insolvent or has been declared insolvent, and no order has been made or petition presented or resolution passed for the liquidation, winding-up or administration or for the appointment of a provisional liquidator of any member of the ESR-REIT Group, nor, so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, are there any reasonable grounds for any person to be entitled to have any member of the ESR-REIT Group wound-up or placed in administration, nor, so far as

the ESR-REIT Manager and the ESR-REIT Trustee are aware, has any person formally threatened in writing to present such a petition or convened or formally threatened in writing to convene a meeting of any member of the ESR-REIT Group to consider a resolution to wind-up such entity.

10. TAXATION MATTERS

10.1 Returns, Information and Clearances

(a) All returns, computations, notices and information which are or have been required to be made, given or delivered by any member of the ESR-REIT Group for any Taxation purpose (i) have been made, given or delivered within the requisite periods or within permitted extensions of such periods; (ii) are up-to-date, complete and accurate in all material respects and made on a proper basis; and (iii) none of them is the subject of any dispute with any Taxation Authority.

(b) All Taxes assessed or imposed by any Taxation Authority which have been assessed upon any member of the ESR-REIT Group and which are due and payable on or before the Record Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment.

10.2 Tax Claims

(a) Since 31 December 2017, no single Claim for Taxation exceeding S$250,000 has been made against any member of the ESR-REIT Group:

(i) in respect of or arising from any transaction effected or deemed to have been effected on or before the date of the Implementation Agreement when this Warranty in paragraph 10.2(a)(i) is made on the date of the Implementation Agreement, and up to the Record Date when this Warranty in paragraph 10.2(a)(i) is made on the Record Date; or

(ii) by reference to any income, profits or gains earned, accrued or received on or before the date of the Implementation Agreement when this Warranty in paragraph 10.2(a)(ii) is made on the date of the Implementation Agreement, and up to the Record Date when this Warranty in paragraph 10.2(a)(ii) is made on the Record Date,

except:

(A) to the extent that Taxation was paid, provided for or accrued in respect thereof in the ESR-REIT Financial Statements;

(B) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any increase in rates of Taxation made after the date of the ESR-REIT Financial Statements with retrospective effect; or

(C) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any reassessment or revaluation by the Taxation Authority in respect of any of the ESR-REIT Real Properties.

10.3 Tax Incentives

(a) Each member of the ESR-REIT Group has complied with all the conditions subject to which tax incentives and preferential tax treatment have been granted to such member of the ESR-REIT Group.

(b) So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, no relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to any member of the ESR-REIT Group which could be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act or omission by any member of the ESR-REIT Group.

10.4 Tax Audits

(a) There is no external investigation by any Taxation Authority in process or, so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, pending with respect to any Tax returns of any member of the ESR-REIT Group, other than queries raised by a Taxation Authority in its usual review of such Tax returns by a member of the ESR-REIT Group.

(b) There are no ongoing or, so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, anticipated Taxation disputes involving or against any member of the ESR-REIT Group.

11. THE ESR-REIT REAL PROPERTIES

11.1 Ownership of the ESR-REIT Real Properties

The ESR-REIT Real Properties comprise all of the real property owned, occupied or otherwise used in connection with the business of the ESR-REIT Trustee (as trustee of ESR-REIT) or in which the ESR-REIT Trustee (as trustee of ESR-REIT) has an interest.

11.2 Title

In respect of each ESR-REIT Real Property:

(a) (save for the ESR-REIT Real Property, the particulars of which are set out in item 46 of Schedule 8, of which 7000 AMK LLP is the sole legal and beneficial owner and has good title to this particular ESR-REIT Real Property free of Encumbrances and the ESR-REIT Trustee (as trustee of ESR-REIT) is a partner with majority participation interest in 7000 AMK LLP) the ESR-REIT Trustee (as trustee of ESR-REIT) and ESR-REIT are the sole legal and beneficial owners of, and have good and marketable title to, the whole of the ESR-REIT Real Property free from Encumbrances;

(b) the Head Lease is valid and subsisting and there is no (i) subsisting breach or any non-observance of any covenant, condition or agreement contained in the Head Lease, or (ii) threatened action, dispute, claims or demands against the ESR-REIT Trustee under or in connection with the Head Lease;

(c) the ESR-REIT Trustee has not received any notice from the Head Lessor stating that the ESR-REIT Trustee is in breach of a term of the Head Lease or that the Head Lease has been terminated;

(d) no written notice of acquisition or written notice of intended acquisition of the ESR-REIT Real Property or any part thereof has been served on the ESR-REIT Trustee by any Governmental Authority which will result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole; and

(e) full ad valorem stamp duties arising from or in connection with the Head Lease and/or the transfer of the ESR-REIT Real Property to the ESR-REIT Trustee, have been paid or will by the date of completion of the Merger be paid.

11.3 Planning

In respect of each ESR-REIT Real Property, so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware:

(a) no development at or use of the ESR-REIT Real Property has been undertaken in breach of the planning legislation or any applicable laws or regulations, by-laws, orders, consents or permissions made or given thereunder;

(b) there is no pending planning application, planning appeal or other planning proceeding in respect of the ESR-REIT Real Property, except as set out in the ESR-REIT Capex Plan;

(c) there is no outstanding government or statutory notice relating to the ESR-REIT Real Property or any business carried on thereat or the uses thereof which would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole; and

(d) there are no outstanding notices, complaints or requirements issued to the ESR-REIT Trustee and/or the ESR-REIT Manager by any Governmental Authority in respect of the ESR-REIT Real Property or any part thereof and there is no pending or threatened proceeding or action by any Governmental Authority to modify the zoning, classification of or the present use of the ESR-REIT Real Property or any part thereof which would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole.

11.4 Agreements

(a) No binding offer, commitment or contract has been made by the ESR-REIT Trustee and/or the ESR-REIT Manager to or with any third party to sell or dispose any ESR-REIT Real Property (or any part thereof) and no option, right of first refusal or pre-emptive right has been granted by the ESR-REIT Trustee and/or the ESR-REIT Manager to any third party for the sale of any ESR-REIT Real Property (or any part thereof).

(b) Other than the ESR-REIT Announced Transaction, no binding offer, commitment or contract has been made by the ESR-REIT Trustee and/or the ESR-REIT Manager to or with any third party to acquire any interests in real property or trust beneficiary interests or similar indirect interests in real property.

(c) In respect of each ESR-REIT Real Property, each of the ESR-REIT Trustee and/or the ESR-REIT Manager has not entered into any agreement with any adjoining owner or Governmental Authority undertaking construction, maintenance, repair or payment of obligations in relation to any facilities or building works or any adjoining properties, the cost and expense of which would in aggregate exceed a sum of S$10,000 per month.

11.5 State and Condition of Property

So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, in respect of each ESR-REIT Real Property:

(a) the ESR-REIT Real Property is structurally sound and in good and substantial repair (fair wear and tear excepted) and the ESR-REIT Manager and the ESR-REIT Trustee are not aware of any structural, latent or other material defects affecting the ESR-REIT Real Property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole;

(b) no structural settlement, flooding, subsidence or other material defect of any kind affects or has affected the ESR-REIT Real Property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole; and

(c) there is no encroachment affecting the ESR-REIT Real Property and the ESR-REIT Real Property is not encroaching on any other adjoining property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole.

11.6 Alterations and Additions

In respect of each ESR-REIT Real Property:

(a) the development of the ESR-REIT Real Property (i) has met the minimum required gross plot ratio and (ii) does not exceed the maximum permissible gross plot ratio for the ESR-REIT Real Property permitted under the Head Lease(s) (where applicable) and by the Governmental Authorities. All development charges and differential premium (if any) payable in order to secure or obtain for the ESR-REIT Real Property the benefit of such maximum allowable gross plot ratio have been fully paid as at the date of the Implementation Agreement; and

(b) all Certificates of Statutory Completion in respect of the ESR-REIT Real Property and all additions and alterations carried out to the ESR-REIT Real Property have been issued.

11.7 Occupation Agreements

(a) (i) No Major Occupier is entitled to terminate any Major Occupation Agreement prior to the contractual expiry date stipulated in the Major Occupation Agreement.

(ii) The ESR-REIT Trustee is not liable to carry out or bear the cost and expenses (whether incurred by the ESR-REIT Trustee or the relevant Occupier) of any capital expenditure in relation to the ESR-REIT Real Properties, other than (1) capital expenditure arising in the ordinary course of business and where the cost and expense of such capital expenditure do not in aggregate exceed a sum of S$1,000,000; and (2) capital expenditure items set out in the ESR-REIT Capex Plan and where the costs and expenses of the relevant capital expenditure items do not exceed the respective amounts set out in the ESR-REIT Capex Plan.

(iii) As at the date of the Implementation Agreement, the ESR-REIT Trustee or the ESR-REIT Manager has not received any written notice of non-renewal by a Major Occupier pursuant to the terms of the Major Occupation Agreements that has not been disclosed.

(b) Each of the ESR-REIT Trustee and/or the ESR-REIT Manager has not received any notice of termination from any Occupier and each of the ESR-REIT Trustee and/or the ESR-REIT Manager has not received any written notice alleging that any of the Occupation Agreements or any bank guarantee or corporate guarantee (or other form of security) furnished in respect thereof is not valid and subsisting.

(c) There are no causes or grounds for any Occupier to lawfully terminate any Occupation Agreement.

(d) There are no rights of set-off or claims against the ESR-REIT Trustee, which are outstanding, in respect of the rent, licence fees, service charge and other moneys payable by an Occupier from time to time under the Occupation Agreements entered into with such Occupier.

(e) So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, full *ad valorem* stamp duties have been paid or will by the date of completion of the Merger be paid on the Occupation Agreements.

(f) Each of the ESR-REIT Trustee and/or the ESR-REIT Manager has not given any undertakings or made any representations in relation to any future development of the ESR-REIT Real Properties, the cost and expense of which would in aggregate exceed a sum of S$50,000. There are no outstanding payments required to be made by the ESR-REIT Trustee in relation to any building or development (including additions and alterations) works carried out in respect of all the ESR-REIT Real Properties (or any part thereof), which would in aggregate exceed a sum of S$50,000.

(g) The ESR-REIT Trustee has collected in full the security deposits (whether in cash or by way of banker's guarantees) that are required to be provided by each of the Occupiers pursuant to the relevant Occupation Agreement in which such Occupier is a party. The ESR-REIT Trustee has not made any deductions from the security deposits paid under all the Occupation Agreements entered into with Occupiers.

11.8 Plant and Equipment

(a) Each ESR-REIT Plant and Equipment owned or held by the ESR-REIT Trustee or which have otherwise been represented as being the property of and due to the ESR-REIT Trustee are legally and beneficially owned by the ESR-REIT Trustee (as trustee of ESR-REIT) and are free from Encumbrance.

(b) The ESR-REIT Trustee and ESR-REIT have good title to all the ESR-REIT Plant and Equipment owned by it.

(c) So far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, all ESR-REIT Plant and Equipment which are used or required to be used are in good and safe repair and condition and are regularly and properly maintained, in satisfactory working order and suitable for the purposes for which they are used and intended, and none is in need of renewal or replacement.

11.9 Insurance

In respect of all insurance and indemnity policies in respect of the ESR-REIT Real Properties, all premiums have been duly paid to date. No material claims above S$100,000 have been made and are outstanding in respect of any of such polices, and so far as the ESR-REIT Manager and the ESR-REIT Trustee are aware, no fact or circumstance exists which might give rise to such claim under any of the policies.

12. INTELLECTUAL PROPERTY RIGHTS

(a) None of the members of the ESR-REIT Group owns any Intellectual Property Rights.

(b) None of the activities of the ESR-REIT Group infringes any patent or other intellectual property of any kind whatsoever of any other person or gives rise to an obligation to pay any sum in the nature of a royalty.

13. SUFFICIENCY OF FINANCIAL RESOURCES

The ESR-REIT Trustee has sufficient financial resources to satisfy in full the aggregate Cash Consideration required for the Scheme.

APPENDIX Q — VIT WARRANTIES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the VIT Managers in Singapore from the Joint Announcement Date up until the Effective Date.

The VIT Managers and the Offeree Trustee represent and warrant to the ESR-REIT Manager and the ESR-REIT Trustee that:

1. VIT GROUP

1.1 Incorporation

(a) VI-REIT has been duly constituted and is validly existing as a real estate investment trust under the laws of Singapore pursuant to the VI-REIT Trust Deed and the Stapling Deed, and VI-BT has been duly constituted and is validly existing as a business trust under the laws of Singapore pursuant to the VI-BT Trust Deed and the Stapling Deed.

(b) Each of the subsidiaries of VIT has been duly organised and is validly existing as a legal entity under the laws of the jurisdiction in which it is organised.

(c) The Offeree Trustee holds, directly or indirectly, and the Stapled Securityholders are the beneficial owners of, the equity interest of each member of the VIT Group and holds such equity interest free from any Encumbrances.

1.2 Structure

As of the date of the Implementation Agreement and the Record Date, the structure of VIT as set out at Schedule 2A of the Implementation Agreement is true, accurate and complete.

1.3 Stapled Securities

(a) All the issued Stapled Securities have been duly authorised and validly issued, are fully paid-up and rank pari passu in all respects with each other. As at the date of the Implementation Agreement, VIT has issued an aggregate of 975,758,607 Stapled Securities.

(b) All the issued Stapled Securities are listed on the Main Board of SGX-ST and will continue to be so listed at the Record Date and there are no circumstances whereby such listing may be cancelled or revoked.

(c) Other than any issue of Stapled Securities to the VIT Managers as payment of their fees in accordance with the provisions of the VIT Trust Deeds, no options, warrants or other rights to purchase, agreements or other obligations of VIT to issue, or rights to convert any obligations into or exchange any securities for, Stapled Securities of or ownership interests in Stapled Securities are outstanding.

2. FULL DISCLOSURE

All information contained in this Agreement, the VIT Due Diligence Information and the VIT Disclosure Letter was, when given, and is, at the date of the Implementation Agreement, true and accurate in all material respects and not misleading and none of the above information contains any untrue statement of fact or omits to state a fact necessary to make the statement contained therein, in light of the circumstances under which they are made, not misleading provided always that no warranty or representation shall be given by the VIT Managers in relation to any forecast, estimate, projection or forward-looking statement which has been made by or on behalf of the VIT Group and/or the VIT Managers. As at the date of the Implementation Agreement, the VIT Managers are not aware of any facts or matters or circumstances which renders or will render any such information untrue, inaccurate or misleading in any material respect. All material information relating to the VIT Group has been announced on SGXNET in compliance with its continuous disclosure requirements.

3. ACCOUNTS

3.1 Financial Statements

(a) The VIT Financial Statements have been properly drawn in accordance with the Singapore Financial Reporting Standards and all applicable law so as to give a true and fair view of the financial position of the VIT Group as at 31 December 2017, and of the financial performance, changes in unitholders' fund and cash flows of VI-BT for the year ended on that date. The VIT Financial Statements present a true and fair view of the financial positions of VI-REIT and the VIT Group as at 31 December 2017 and the total return, distributable income, movements in Stapled Securityholders' funds and cash flows of the VIT Group for the year ended on that date are in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the VIT Trust Deeds.

(b) The unaudited consolidated accounts of the VIT Group for the quarterly period ended 31 March 2018 were prepared using the same accounting policies and methods of computation with those applied in the VIT Financial Statements and are fair and not misleading and do not materially misstate the assets and liabilities of the VIT Group as at the relevant balance sheet date or the profits and losses of the VIT Group for the periods then ended.

3.2 Changes since 31 December 2017

There have been no material adverse changes in the financial position of the VIT Group, since 31 December 2017 up to the date of the Implementation Agreement when this Warranty in paragraph 3.2 is made on the date of the Implementation Agreement, and up to the Record Date when this Warranty in paragraph 3.2 is made on the Record Date, and since 31 December 2017:

(a) the businesses of the VIT Group have been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern;

(b) there has been no change in the accounting policies and principles adopted for the preparation of the VIT Financial Statements;

(c) the VIT Group has not entered into any transaction or assumed or incurred any liabilities (including contingent liabilities) or made any payment or given any guarantee, indemnity or suretyship not provided for in the VIT Financial Statements otherwise than in the ordinary and usual course of carrying on its business;

(d) the VIT Group's profits have not been affected to a material extent by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms;

(e) it has not entered into any unusual, long term and onerous commitments and contracts that would have a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole;

(f) no member of the VIT Group has entered into or proposed to enter into any capital commitments other than in the ordinary course of business; and

(g) save as disclosed in public announcements made by the VIT Managers on SGXNET up till the date of the Implementation Agreement and save for the VIT Permitted Distributions, no dividend or other distribution has been declared, made or paid to its Stapled Securityholders.

3.3 Absence of Undisclosed Liabilities

There are no material liabilities (including contingent liabilities) of the VIT Group which are outstanding on the part of each member of the VIT Group, other than (a) liabilities disclosed or adequately provided for in the VIT Financial Statements; (b) liabilities disclosed elsewhere in this Agreement; (c) liabilities incurred after 31 December 2017 in the ordinary and usual course of business which have not had and could not reasonably be expected to have a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole; or (d) as disclosed in public announcements made by the VIT Managers on SGXNET up till the date of the Implementation Agreement.

3.4 Trade and Other Receivables

So far as the VIT Managers are aware, the receivables, including accrued revenue in the VIT Financial Statements, are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the VIT Financial Statements, reasonably be expected to be realised in the ordinary and usual course of business of the VIT Group. No new adverse events have occurred that would give doubt as to the ability to realise all current receivables (other than trade receivables) in the ordinary and usual course of business and in the case of trade receivables, after taking into account an up to 5% provision for bad and doubtful debts made in the VIT Financial Statements.

3.5 Provisions

The VIT Financial Statements make:

(a) full provision for all actual liabilities;

(b) proper and adequate provision (or note in accordance with good accountancy practice) for all contingent liabilities;

(c) proper and adequate provision or reserve for all bad and doubtful debts;

(d) due provision for depreciation and amortisation and for any obsolescence of assets; and

(e) full provision or reserve for all Taxation liable to be assessed in respect of the VIT Real Properties.

4. LEGAL MATTERS

4.1 Compliance with Laws

(a) Each member of the VIT Group has carried on and is carrying on its business and operations (including the VIT Real Properties) in accordance with its constitutional documents and in accordance with all applicable laws and regulations (including the Listing Manual and the Property Funds Appendix) in Singapore. As at the date of the Implementation Agreement, no complaints have been received from any third party with regard to any breach of such laws and regulations by any member of the VIT Group.

(b) There have not been and there are no breaches by any member of the VIT Group of its constitutional documents.

4.2 Licences and Consents

(a) All material statutory, municipal and other licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals and authorities necessary for the carrying on of the businesses and operations of the VIT Group and the VIT Real Properties have been obtained, are in full force and effect and all conditions applicable to such licences have been and are being complied with in all material respects, unless the failure to obtain such licences does not have a material adverse effect on the assets, business or financial position of the VIT Group taken as a whole.

(b) As far as the VIT Managers are aware, there is no investigation, enquiry or proceeding outstanding which is likely to result in the suspension, cancellation, modification or revocation of any of the above mentioned licences, nor has any member of the VIT Group received, any notice of such investigations, enquiries or proceedings. So far as the VIT Managers are aware, none of the above mentioned licences is likely to be suspended, cancelled, refused, modified or revoked (whether as a result of entering into this Agreement, consummating the Merger, the Scheme or otherwise).

4.3 Litigation, Arbitration or Investigation

(a) As of the date of the Implementation Agreement, no litigation, arbitration or administrative proceeding is current or pending or, so far as the VIT Managers are aware, threatened, to restrain the entry into, exercise of the VIT Managers' rights under and/or performance or enforcement of or compliance with its obligations under this Agreement.

(b) No claim, litigation, arbitration or administrative proceeding is current or pending or, so far as the VIT Managers are aware, threatened against any member of the VIT Group or in respect of the VIT Real Properties, which has or could result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole.

(c) As at the date of the Implementation Agreement, the VIT Managers have not received any notice of any investigation or enquiry by, any court, tribunal, arbitrator, Governmental Authority or regulatory body outstanding or anticipated against any member of the VIT Group or in respect of the VIT Real Properties.

4.4 Insolvency

None of the members of the VIT Group is insolvent or has been declared insolvent, and no order has been made or petition presented or resolution passed for the liquidation, winding-up or administration or for the appointment of a provisional liquidator of any member of the VIT Group, nor, so far as the VIT Managers are aware, are there any reasonable grounds for any person to be entitled to have any member of the VIT Group wound-up or placed in administration, nor, so far as the VIT Managers are aware, has any person formally threatened in writing to present such a petition or convened or formally threatened in writing to convene a meeting of any member of the VIT Group to consider a resolution to wind-up such entity.

4.5 Power

The VIT Managers and the Offeree Trustee have the corporate power to enter into, deliver and perform their obligations under this Agreement and to carry out the transactions contemplated by this Agreement.

4.6 Authority

Save for the approvals contemplated by Clause 3 of the Implementation Agreement, the VIT Managers and the Offeree Trustee have taken all necessary corporate actions and obtained all necessary corporate approvals to authorise entry into this Agreement and to carry out the transactions contemplated by this Agreement.

4.7 Binding Obligation

The VIT Managers' and the Offeree Trustee's obligations under this Agreement are valid, legally binding and enforceable in accordance with its terms.

5. NO BREACH

5.1 Neither the execution and delivery, nor performance by the VIT Managers nor any transaction contemplated under this Agreement will:

(a) conflict with or constitute a default under or result in a breach of any provision of the VIT Trust Deeds or the constitutive documents of the VIT Managers or any member of the VIT Group;

(b) conflict with or constitute a default under or result in a breach of any order, writ, injunction or decree of any Governmental Authority applicable to any of the VIT Managers or any member of the VIT Group or their respective assets; or

(c) conflict with or constitute a default under or result in a breach of any agreement or instrument to which any of the VIT Managers or the VIT Group is a party, or any loan to or mortgage created by any member of the VIT Group, or relieve any other party to a contract with any member of the VIT Group of its obligations under such contract, or entitle such party to terminate or modify such contract, whether summarily or by notice, or result in the creation of any Encumbrance under any agreement, licence or other instrument, or result in a breach of any law, rule, regulation, ordinance, order, judgment or decree of any court, Governmental Authority or regulatory body to which any of the VIT Managers or any member of the VIT Group is a party or by which any of the VIT Managers or the VIT Group or any of their respective assets is bound.

5.2 Save for the approvals contemplated by Clause 3 of the Implementation Agreement, all authorisations from, and notices or filings with, any Governmental Authority or other authority that are necessary to enable the VIT Managers and the VIT Group to execute, deliver and perform its obligations or actions contemplated to be taken by such entity under this Agreement have been obtained or made (as the case may be) and are in full force and effect and all conditions of each such authorisation have been complied with.

6. CONTRACTS

6.1 Debts, Contracts and Arrangements with Connected Persons etc.

Save as disclosed in the VIT Financial Statements, and as announced by the VIT Managers on SGXNET, there is no material interested person transaction (as defined in the Listing Manual) between any member of the VIT Group and an interested person (as defined in the Listing Manual) of VIT.

6.2 Contracts

(a) No member of the VIT Group is, or has been, a party to any contract or transaction which (i) is outside the ordinary and usual course of business, (ii) is not on an arm's length basis, or (iii) is of a loss-making nature that would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole.

(b) No member of the VIT Group:

(i) is, or has agreed to become a party to any agreement or arrangement which restricts its freedom to carry on its business in any part of the world in such manner as it thinks fit;

(ii) is, or has agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; or

(iii) is, or has agreed to become, a party to any material agreement or arrangement for participating with others in any business, sharing commissions or other income.

(c) All the contracts and all leases, tenancies, licences, concessions and agreements (breach of which will have a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole) and any amendments or waivers with respect thereto to which any member of the VIT Group is a party ("**VIT Material Contracts**") are valid, binding and enforceable obligations of the relevant member of the VIT Group, and so far as the VIT Managers are aware, all other parties thereto, and the terms thereof have been complied with in all material respects by the relevant member of the VIT Group, and, so far as the VIT Managers are aware, all other parties thereto. So far as the VIT Managers are aware, there are no circumstances that give rise to any material breach of such VIT Material Contracts.

(d) Tenants

(i) The loss of any single Occupier of any member of the VIT Group would not result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole.

(ii) There has been no communication in writing by any Major Occupier which would indicate that such Major Occupier intends to (A) terminate its current lease or (B) vacate its leased premises at the expiration of its current lease, whether or not in connection with the execution or completion of this Agreement, and no agreement exists with a Major Occupier with respect to any of the foregoing.

(iii) So far as the VIT Managers are aware, no Major Occupier is insolvent or has been declared insolvent, and no action or request is pending or threatened to declare it insolvent, wind it up or to make it subject to any proceeding contemplated by any applicable insolvency law.

7. TAXATION MATTERS

7.1 Returns, Information and Clearances

(a) All returns, computations, notices and information which are or have been required to be made, given or delivered by any member of the VIT Group for any Taxation purpose (i) have been made, given or delivered within the requisite periods or within permitted extensions of such periods; (ii) are up-to-date, complete and accurate in all material respects and made on a proper basis; and (iii) none of them is the subject of any dispute with any Taxation Authority.

(b) All Taxes assessed or imposed by any Taxation Authority which have been assessed upon any member of the VIT Group and which are due and payable on or before the Record Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment.

7.2 Tax Claims

(a) Since 31 December 2017, no single Claim for Taxation exceeding S$250,000 has been made against any member of the VIT Group:

(i) in respect of or arising from any transaction effected or deemed to have been effected on or before the date of the Implementation Agreement when this Warranty in paragraph 7.2(a)(i) is made on the date of the Implementation Agreement, and up to the Record Date when this Warranty in paragraph 7.2(a)(i) is made on the Record Date; or

(ii) by reference to any income, profits or gains earned, accrued or received on or before the date of the Implementation Agreement when this Warranty in paragraph 7.2(a)(ii) is made on the date of the Implementation Agreement, and up to the Record Date when this Warranty in paragraph 7.2(a)(ii) is made on the Record Date,

except:

(A) to the extent that Taxation was paid, provided for or accrued in respect thereof in the VIT Financial Statements;

(B) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any increase in rates of Taxation made after the date of the VIT Financial Statements with retrospective effect; or

(C) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any reassessment or revaluation by the Taxation Authority in respect of any of the VIT Real Properties.

7.3 Tax Incentives

(a) Each member of the VIT Group has complied with all the conditions subject to which tax incentives and preferential tax treatment have been granted to such member of the VIT Group.

(b) So far as the VIT Managers are aware, no relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to any member of the VIT Group which could be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act or omission by any member of the VIT Group.

7.4 Tax Audits

(a) There is no external investigation by any Taxation Authority in process or, so far as the VIT Managers are aware, pending with respect to any Tax returns of any member of the VIT Group, other than queries raised by a Taxation Authority in its usual review of such Tax returns by a member of the VIT Group.

(b) There are no ongoing or, so far as the VIT Managers are aware, anticipated Taxation disputes involving or against any member of the VIT Group.

8. THE VIT REAL PROPERTIES

8.1 Ownership of the VIT Real Properties

The VIT Real Properties comprise all of the real property owned, occupied or otherwise used in connection with the business of the Offeree Trustee (as trustee of VI-REIT) or in which the Offeree Trustee (as trustee of VI-REIT) has an interest.

8.2 Title

In respect of each VIT Real Property:

(a) the Offeree Trustee (as trustee of VI-REIT) and VI-REIT are sole legal and beneficial owners of, and have good and marketable title to, the whole of the VIT Real Property free from Encumbrances save for Encumbrances set out under the VIT Existing Debt Facilities;

(b) the Head Lease is valid and subsisting and there is no (i) subsisting breach or any non-observance of any covenant, condition or agreement contained in the Head Lease, or (ii) threatened action, dispute, claims or demands against the Offeree Trustee under or in connection with the Head Lease;

(c) the Offeree Trustee has not received any notice from the Head Lessor stating that the Offeree Trustee is in breach of a term of the Head Lease or that the Head Lease has been terminated;

(d) no written notice of acquisition or written notice of intended acquisition of the VIT Real Property or any part thereof has been served on the Offeree Trustee by any Governmental Authority which will result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole; and

(e) full ad valorem stamp duties arising from or in connection with the Head Lease and/or the transfer of the VIT Real Property to the Offeree Trustee, have been paid or will by the date of completion of the Merger be paid.

8.3 Planning

In respect of each VIT Real Property, so far as the VIT Managers are aware:

(a) no development at or use of the VIT Real Property has been undertaken in breach of the planning legislation or any applicable laws or regulations, by-laws, orders, consents or permissions made or given thereunder;

(b) there is no pending planning application, planning appeal or other planning proceeding in respect of the VIT Real Property except as set out in the VIT Capex Plan;

(c) there is no outstanding government or statutory notice relating to the VIT Real Property or any business carried on thereat or the uses thereof which would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole; and

(d) there are no outstanding notices, complaints or requirements issued to the Offeree Trustee and/or the VIT Managers by any Governmental Authority in respect of the VIT Real Property or any part thereof and there is no pending or threatened proceeding or action by any Governmental Authority to modify the zoning, classification of or the present use of the VIT Real Property or any part thereof which would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole.

8.4 Agreements

(a) No binding offer, commitment or contract has been made by the Offeree Trustee and/or the VIT Managers to or with any third party to sell or dispose any VIT Real Property (or any part thereof) and no option, right of first refusal or pre-emptive right has been granted by the Offeree Trustee and/or the VIT Managers to any third party for the sale of any VIT Real Property (or any part thereof).

(b) No binding offer, commitment or contract has been made by the Offeree Trustee and/or the VIT Managers to or with any third party to acquire any interests in real property or trust beneficiary interests or similar indirect interests in real property.

(c) In respect of each VIT Real Property, each of the Offeree Trustee and/or the VIT Managers has not entered into any agreement with any adjoining owner or Governmental Authority undertaking construction, maintenance, repair or payment of obligations in relation to any facilities or building works or any adjoining properties, the cost and expense of which would in aggregate exceed a sum of S$10,000 per month.

8.5 State and Condition of Property

So far as the VIT Managers are aware, in respect of each VIT Real Property:

(a) the VIT Real Property is structurally sound and in good and substantial repair (fair wear and tear excepted), and the VIT Managers are not aware of any structural, latent or other material defects affecting the VIT Real Property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole;

(b) no structural settlement, flooding, subsidence or other material defect of any kind affects or has affected the VIT Real Property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole; and

(c) there is no encroachment affecting the VIT Real Property and the VIT Real Property is not encroaching on any other adjoining property which would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole.

8.6 Alterations and Additions

In respect of each VIT Real Property:

(a) the development of the VIT Real Property (i) has met the minimum required gross plot ratio and (ii) does not exceed the maximum permissible gross plot ratio for the VIT Real Property permitted under the Head Lease(s) (where applicable) and by the Governmental Authorities. All development charges and differential premium (if any) payable in order to secure or obtain for the VIT Real Property the benefit of such maximum allowable gross plot ratio have been fully paid as at the date of the Implementation Agreement; and

(b) all Certificates of Statutory Completion in respect of the VIT Real Property and all additions and alterations carried out to the VIT Real Property have been issued.

8.7 Occupation Agreements

(a) (i) No Major Occupier is entitled to terminate any Major Occupation Agreement prior to the contractual expiry date stipulated in the Major Occupation Agreement.

(ii) The Offeree Trustee is not liable to carry out or bear the cost and expenses (whether incurred by the Offeree Trustee or the relevant Occupier) of any capital expenditure in relation to the VIT Real Properties, other than (A) capital expenditure arising in the ordinary course of business and where the cost and expense of such capital expenditure do not in aggregate exceed a sum of S$1,000,000; and (B) capital expenditure items set out in the VIT Capex Plan and where the costs and expenses of the relevant capital expenditure items do not exceed the respective amounts set out in the VIT Capex Plan.

(iii) As at the date of the Implementation Agreement, the Offeree Trustee or the VIT Managers has not received any written notice of non-renewal by a Major Occupier pursuant to the terms of the Major Occupation Agreements that has not been disclosed.

(b) Each of the Offeree Trustee and/or the VIT Managers has not received any notice of termination from any Occupier and each of the Offeree Trustee and/or the VIT Managers has not received any written notice alleging that any of the Occupation Agreements or any bank guarantee or corporate guarantee (or other form of security) furnished in respect thereof is not valid and subsisting.

(c) There are no causes or grounds for any Occupier to lawfully terminate any Occupation Agreement.

(d) There are no rights of set-off or claims against the Offeree Trustee, which are outstanding, in respect of the rent, licence fees, service charge and other moneys payable by an Occupier from time to time under the Occupation Agreements entered into with such Occupier.

(e) So far as the VIT Managers are aware, full *ad valorem* stamp duties have been paid or will by the date of completion of the Merger be paid on the Occupation Agreements.

(f) Each of the Offeree Trustee and/or the VIT Managers has not given any undertakings or made any representations in relation to any future development of the VIT Real Properties, the cost and expense of which would in aggregate exceed a sum of S$50,000. There are no outstanding payments required to be made by the Offeree Trustee in relation to any building or development (including additions and alterations) works carried out in respect of all the VIT Real Properties (or any part thereof), which would in aggregate exceed a sum of S$50,000.

(g) The Offeree Trustee has collected in full the security deposits (whether in cash or by way of banker's guarantees) that are required to be provided by each of the Occupiers pursuant to the relevant Occupation Agreement in which such Occupier is a party. The Offeree Trustee has not made any deductions from the security deposits paid under all the Occupation Agreements entered into with Occupiers.

8.8 Plant and Equipment

(a) Each VIT Plant and Equipment owned or held by the Offeree Trustee or which have otherwise been represented as being the property of and due to the Offeree Trustee are legally and beneficially owned by the Offeree Trustee (as trustee of VI-REIT) and are free from Encumbrance, save for Encumbrances set out under the VIT Existing Debt Facilities.

(b) The Offeree Trustee and VI-REIT have good title to all the VIT Plant and Equipment owned by it.

(c) So far as the VIT Managers are aware, all VIT Plant and Equipment which are used or required to be used are in good and safe repair and condition and are regularly and properly maintained, in satisfactory working order and suitable for the purposes for which they are used and intended, and none is in need of renewal or replacement.

8.9 Insurance

In respect of all insurance and indemnity policies in respect of the VIT Real Properties, all premiums have been duly paid to date. No material claims above S$100,000 have been made and are outstanding in respect of any of such polices, and so far as the VIT Managers are aware, no fact or circumstance exists which might give rise to such claim under any of the policies.

9. INTELLECTUAL PROPERTY RIGHTS

(a) None of the members of the VIT Group owns any Intellectual Property Rights.

(b) None of the activities of the VIT Group infringes any patent or other intellectual property of any kind whatsoever of any other person or gives rise to an obligation to pay any sum in the nature of a royalty.

APPENDIX R — SPECIFIC OBLIGATIONS OF THE ESR-REIT MANAGER

All capitalised terms used and not defined in this Scheme Document shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the VIT Managers in Singapore from the Joint Announcement Date up until the Effective Date.

The ESR-REIT Manager must execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as reasonably practicable, including the following:

(a) Joint Announcement: the issue of the Joint Announcement, jointly with the VIT Managers, on the Joint Announcement Date;

(b) ESR-REIT Manager's Letter to the Stapled Securityholders: preparing ESR-REIT Manager's letter to the Stapled Securityholders in compliance with all applicable laws and regulations, including the Code, for inclusion as part of the Scheme Document;

(c) ESR-REIT Circular: the preparation of the circular (the "**ESR-REIT Circular**") to convene the extraordinary general meeting (the "**ESR-REIT EGM**") in respect of the ESR-REIT Unitholders' Approval;

(d) SGX-ST Approval: the submission of the draft ESR-REIT Circular to the SGX-ST for clearance as soon as reasonably practicable after the date of the Implementation Agreement and diligently seek such clearance promptly;

(e) ESR-REIT EGM: subject to obtaining the approval of the SGX-ST for the ESR-REIT Circular, the convening of the ESR-REIT EGM;

(f) Despatch of Documents: promptly despatch to the entitled Unitholders the ESR-REIT Circular and the appropriate forms of proxy for use at the ESR-REIT EGM following approval by the SGX-ST for the ESR-REIT Circular;

(g) Provision of Information: subject and without prejudice to any legal and regulatory obligations of ESR-REIT Manager, from the date of the Implementation Agreement until the Effective Date, furnishing to the VIT Managers and its advisers in a timely manner such information (including the information concerning ESR-REIT Manager or its affiliates for inclusion in the Scheme Document) relating to ESR-REIT Manager and its affiliates as the VIT Managers and their advisers may reasonably request for the purpose of the preparation of the Scheme Document in accordance with this Agreement;

(h) Representation: (if necessary) ensuring that ESR-REIT Manager, through its legal counsel, is represented at Court hearings convened for the purpose of approving the Scheme at which, if requested by the Court, ESR-REIT Manager shall do all things and take all steps as are reasonably possible to ensure the fulfilment of its obligations under this Agreement and the Scheme;

(i) Satisfaction of Consideration: subject to the fulfilment or waiver of the conditions in Clause 3 of the Implementation Agreement, it will be bound by the Scheme, and will satisfy the Scheme Consideration and procure the issuance and listing of the Consideration Units on the SGX-ST promptly from the Effective Date and in any event no later than seven (7) Business Days from the Effective Date, in each case, pursuant to the Scheme and on the terms set out in this Agreement and the Scheme Document;

(j) Directors' Responsibility: it shall, and shall ensure that its directors shall, take responsibility as required by applicable law and regulation for the information concerning ESR-REIT Manager or its affiliates provided by or on behalf of ESR-REIT Manager to the VIT Managers for inclusion in the Scheme Document;

(k) Directors' Recommendation: using its best endeavours to procure that that the directors of ESR-REIT Manager (other than those directors who are deemed to have an interest in the Merger) will recommend to the Unitholders to vote in favour of the Merger and the issuance of Units as consideration for the Merger at the ESR-REIT EGM, subject and without prejudice to the fiduciary duties of the directors of ESR-REIT Manager. Without prejudice to the generality of the foregoing, ESR-REIT Manager shall not be bound by this Paragraph (k) if the ESR-REIT IFA is not of the opinion that the terms of the Merger are on normal commercial terms and will not be prejudicial to the interests of ESR-REIT and its minority Unitholders or does not advise the directors of ESR-REIT Manager (other than those directors who are deemed to have an interest in the Merger) to recommend that the Unitholders vote in favour of the Merger, and in each case, the directors of ESR-REIT Manager (other than those directors who are deemed to have an interest in the Merger) in discharging their fiduciary duties are not able to recommend to the Unitholders to vote in favour of the Merger at the ESR-REIT EGM;

(l) No Action: subject and without prejudice to any legal and regulatory obligations of ESR-REIT Manager and its directors' fiduciary duties and its rights under this Agreement, taking no action which may be prejudicial to the successful completion of the Scheme;

(m) No Solicitation: during the period from the date of the Implementation Agreement to the Effective Date or (if earlier) the date of the termination of this Agreement, it will, subject to applicable laws and regulations:

(i) save for the Manager Arrangements, deal exclusively with the VIT Managers to complete the Merger and the Scheme;

(ii) not, and not authorise or cause any of its respective employees, officers, advisers and representatives to, except with the prior written consent of the VIT Managers, directly or indirectly, (A) solicit, initiate, induce, encourage or entertain any approach, expression of interest, offers or proposals from; (B) provide any information to or enter into any discussions or negotiations with; (C) enter into any agreement, arrangement or understanding with; or (D) announce or communicate any intention to do any of the foregoing to or with, any third party in connection with any ESR-REIT Competing Proposal.

"**ESR-REIT Competing Proposal**" means (1) any general offer or trust scheme for the ESR-REIT Units; (2) any proposal for an acquisition of ESR-REIT or other business combination, merger, amalgamation or similar transaction involving ESR-REIT with any other entity; (3) save for the ESR-REIT Announced Transaction, any proposal for a sale of any ESR-REIT Units and/or assets of ESR-REIT; (4) any proposal for a sale of ESR-REIT Manager's shares and/or assets; or (5) save for the Manager Arrangements (and due diligence investigations in connection thereto), the ESR-REIT Announced Transaction and any other transaction contemplated in this Agreement, any other transaction (including allowing any third party to perform due diligence investigations on ESR-REIT Manager and the ESR-REIT Group) which would preclude, interfere with, restrict, delay or prejudice the Scheme; and

(iii) notify the VIT Managers immediately should they become aware of any negotiations or discussions or of any approach or attempt to initiate any negotiations or discussions, or of any intention to make such an approach or attempt to initiate any negotiations or discussions, in respect of any ESR-REIT Competing Proposal.

For the avoidance of doubt, nothing in this paragraph (m) shall prohibit or restrict ESR-REIT Manager from:

(A) making normal presentations to brokers, portfolio investors, analysts and members of the press and media in the ordinary and usual course of business;

(B) receiving any unsolicited or uninitiated expression of interest, offer or proposal of a ESR-REIT Competing Proposal; and/or

(C) acknowledging the receipt of any correspondence relating to an unsolicited ESR-REIT Competing Proposal.

In the event that an unsolicited or uninitiated expression of interest, offer or proposal of any ESR-REIT Competing Proposal is received by ESR-REIT Manager, ESR-REIT Manager shall be entitled to take such action (including the making of announcements or recommendation to the Unitholders) as may be required for the purposes of:

(1) complying with the Listing Manual and the Code or any other laws, rules or regulations applicable to ESR-REIT; and/or

(2) allowing the directors of ESR-REIT Manager to comply with or discharge their fiduciary duties, or other legal or regulatory obligations to which they are subject under applicable laws and regulations; and

(n) Normal Dealing: it will and will procure that the Offeror Trustee, ESR-REIT and its subsidiaries will:

(i) prior to the execution and registration of any registrable lease or variation of lease (as the case may be) to be entered into between JTC or HDB (as the case may be) and the Offeror Trustee:

(A) forthwith notify the Offeree Trustee and the VIT Managers in writing, and provide copies of the said lease or variation of lease (as the case may be) to the Offeree Trustee and the VIT Managers; and

(B) (1) if required by the VIT Managers, request for clarification from JTC or HDB (as the case may be) and furnish any correspondence with JTC or HDB (as the case may be) in relation to the provisions contained in the lease or variation of lease (as the case may be); (2) not, without the prior written consent of the VIT Managers (which reply shall be provided by the VIT Managers within five (5) Business Days of a request for consent, failing which, the VIT Managers shall be deemed to have provided such consent), execute the lease or variation of lease (as the case may be); and (3) if required by the VIT Managers, do all things which may be necessary for the execution and perfection of the lease or variation of lease (as the case may be), including the payment of *ad valorem* stamp duty and registration with the SLA;

(ii) save in relation to the lift located in the ESR-REIT Real Property the particulars of which are set out in item 26 of Schedule 8A of the Implementation Agreement, maintain the ESR-REIT Real Properties and the ESR-REIT Plant and Equipment in a good state of repair (fair wear and tear excepted) and keep insured the ESR-REIT Real Properties in such amounts as are reasonably regarded as adequate and against such risks (including without limitation, fire, damage and accident) normally insured against by companies owning properties of a similar nature;

(iii) in respect of the Head Leases relating to the ESR-REIT Real Properties:

(A) comply with and observe the terms and conditions under the Head Leases and not do or permit anything to be done which may result in a breach of any of the Head Leases; and

(B) forthwith notify the Offeree Trustee and the VIT Managers in writing of any breach, non-performance or default of the terms of the Head Leases by the Offeror Trustee, and use all best efforts to remedy its breach, non-performance or default;

(iv) comply with and observe the terms and conditions under the Occupation Agreements and not do or permit anything to be done which may cause a breach of any such Occupation Agreement which would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole, and forthwith notify the Offeree Trustee and the VIT Managers of any material breach of such Occupation Agreements or any breach by a Major Occupier of any Occupation Agreement;

(v) as soon as reasonably practicable, provide to the Offeree Trustee and the VIT Managers copies of any notices or demands in writing from any Governmental Authority in connection with the ESR-REIT Real Properties relating to any breach or non-compliance, and comply with the terms of such notices or demands as reasonably appropriate;

(vi) forthwith disclose to the Offeree Trustee and the VIT Managers any actual or pending action, dispute, claims or demands by or against the Head Lessor or any Occupier under or in connection with any of the ESR-REIT Real Properties, the Head Leases or the Occupation Agreements (as the case may be) or any other legal proceedings commenced in relation to any of the ESR-REIT Real Properties;

(vii) forthwith disclose to the Offeree Trustee and the VIT Managers any compulsory acquisition or a notice of compulsory acquisition or intended acquisition of land affecting or which may affect any of the ESR-REIT Real Properties in whole or in part, and provide to each of the Offeree Trustee and the VIT Managers a copy of any such notice issued;

(viii) not without the prior written consent of the VIT Managers (such consent not to be unreasonably withheld or delayed) sell, assign or otherwise dispose of any of the ESR-REIT Real Properties (or any part thereof) or any asset (other than capital expenditure items arising in the ordinary course of business), including shares or other interests in any subsidiary or in any other entity in which they have an interest;

(ix) not without the prior written consent of the VIT Managers (such consent not to be unreasonably withheld or delayed) and other than the ESR-REIT Announced Transaction, make or agree to make any capital expenditure or acquire or agree to acquire any asset or real property or incur or agree to incur a commitment or commitments involving capital expenditure or the acquisition of any asset or real property, other than (A) capital expenditure arising in the ordinary course of business and each individual item not exceeding S$100,000 or all items not exceeding in total S$1,000,000 and (B) capital expenditure items set out in the ESR-REIT Capex Plan provided that the costs and expenses of the relevant capital expenditure items do not exceed the respective amounts set out in the ESR-REIT Capex Plan;

(x) not create, or agree to create, any further Encumbrance over any of the ESR-REIT Real Properties;

(xi) in relation to the ESR-REIT Real Properties:

(A) (1) in the event the Offeror Trustee terminates, serves any notice to terminate or accepts any surrender of a Major Occupation Agreement, receives any notice of termination or non-renewal from any Major Occupier, or waives the terms of or consents to requests made by any Major Occupier of any Major Occupation Agreement, as soon as practicable notify in writing the VIT Managers of the same;

(2) in the event the Offeror Trustee enters into or varies any agreement, lease, tenancy, licence or other commitment (including varying the amount of any rent or fee payable under any Major Occupation Agreement or granting any rebate to a Major Occupier, or entering into any New Occupation Agreement entered into with (i) a Major Occupier or (ii) a third party or an Occupier who will upon entry into such New Occupation Agreement constitute a Major Occupier, or renewing any Major Existing Occupation Agreement), as soon as practicable notify in writing the VIT Managers of the same;

(B) save as set out in the ESR-REIT Capex Plan, except with the prior written consent of the VIT Managers (such consent not to be unreasonably withheld or delayed), not apply for any planning permission or sub-division of any of the ESR-REIT Real Properties or implement any planning permission or sub-division of any of the ESR-REIT Real Properties already obtained but not implemented;

(C) (save for any fitting out works carried out by an Occupier pursuant to an Occupation Agreement) without the prior written consent of the VIT Managers, not carry out any alteration or addition to, or effect any change of use of any of the ESR-REIT Real Properties which would result in a material adverse effect on the business, operations, assets and/or financial condition of the ESR-REIT Group taken as a whole;

(D) without the prior written consent of the VIT Managers, not make any deductions from the security deposits held pursuant to the Occupation Agreements;

(E) not release the respective Head Lessor under the Head Leases from any of its obligations, nor exercise any rights or powers of termination under any of the Head Leases or waive any breach of any of the Head Leases; and

(F) without the prior written consent of the VIT Managers (such consent not to be unreasonably withheld or delayed), not make any amendment, modification or variation of any of the Head Leases;

(xii) during the period from the date of the Implementation Agreement to the Effective Date, save as agreed in writing with the VIT Managers, conduct its business and operations in the ordinary course of business, reasonably consistent with past practices, subject to the terms of this Agreement;

(xiii) save for the allotment and issue by ESR-REIT of new ESR-REIT Units:

(A) in respect of the Preferential Offering;

(B) as management fees or pursuant to its Distribution Reinvestment Plan; and/or

(C) as Consideration Units or as otherwise contemplated under this Agreement,

not allot, or grant options to subscribe for, any ESR-REIT Units or securities convertible into ESR-REIT Units, or agree to make such an allotment or to grant such an option or convertible security, or do any of the foregoing with respect to their own securities or the securities of ESR-REIT, without the prior written consent of the VIT Managers (such consent not to be unreasonably withheld or delayed);

(xiv) save with the VIT Managers' consent (such consent not to be unreasonably withheld or delayed), not incur any additional borrowing or indebtedness (other than in respect of drawdowns on existing debt facilities of ESR-REIT, the refinancing of any debt obligations prior to due date or the refinancing of the VIT Existing Debt Facilities and/or any borrowing incurred to finance the ESR-REIT Announced Transaction), or alter the terms of any existing borrowings or indebtedness (other than for the purpose of financing the Merger (including the repayment of debt facilities of the VIT Group));

(xv) not declare or make any distributions to the Unitholders, except for the ESR-REIT Permitted Distributions; and

(xvi) without prejudice to the foregoing, not renew, amend or agree to renew or amend any terms of, any material agreement or arrangement to which any member of the ESR-REIT Group is a party or is bound by which would individually or together with other agreements or arrangements result in a ESR-REIT Material Adverse Effect.

APPENDIX S — SPECIFIC OBLIGATIONS OF THE VIT MANAGERS

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the VIT Managers in Singapore from the Joint Announcement Date up until the Effective Date.

The VIT Managers must execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as reasonably practicable, including the following:

(a) Joint Announcement: the issue of the Joint Announcement, jointly with ESR-REIT Manager, on the Joint Announcement Date;

(b) Supplemental Trust Deed: the preparation of supplemental trust deeds to amend the VIT Trust Deeds to include the VIT Trust Deeds Amendments;

(c) Court Application: as soon as reasonably practicable after the date of the Implementation Agreement, applying to the Court for order(s) convening the Scheme Meeting;

(d) Scheme Document: the preparation of the Scheme Document to approve the VIT Trust Deeds Amendments and the Scheme, and all other documents which are required to be prepared and circulated by them in connection with the Scheme and to carry into effect this Agreement, in each case, in compliance with all applicable laws and regulations;

(e) SGX-ST Approval: the submission of the draft Scheme Document to the SGX-ST for clearance as soon as reasonably practicable after the date of the Implementation Agreement and diligently seek such clearance promptly;

(f) Scheme Meeting: subject to obtaining the approval of the SGX-ST for the Scheme Document and the Court for the order(s) convening the Scheme Meeting, the convening of the Scheme Meeting;

(g) Despatch of Documents: promptly despatch to the entitled Stapled Securityholders the Scheme Document and the appropriate forms of proxy for use at the Scheme Meeting following approval by the SGX-ST for the Scheme Document and the Court for the order(s) convening the Scheme Meeting;

(h) Scheme Court Order: if the Scheme is approved by the Stapled Securityholders, applying to the Court for the Scheme Court Order, and diligently seeking the Scheme Court Order;

(i) MAS Lodgement:

  (i) following the approval by the requisite majorities of Stapled Securityholders of the VIT Trust Scheme Amendments and the Scheme, delivering a copy of the resolutions approved at the Scheme Meeting to MAS for lodgement within such time frame as shall be agreed between the Parties in writing (provided that such time frame shall be in compliance with the applicable requirements under the Business Trusts Act); and

  (ii) following the grant of the Scheme Court Order, delivering the same to MAS for lodgement within such time frame as shall be agreed between the Parties in writing;

(j) Conduct of Business by the VIT Managers: during the period from the date of the Implementation Agreement to the Effective Date, save as agreed in writing with ESR-REIT Manager, the VIT Group conducting its business and operations in the ordinary course of business, reasonably consistent with past practices and in compliance in all material respects with all applicable laws and regulations;

(k) Consultation with ESR-REIT Manager: subject and without prejudice to any legal and regulatory obligations of the VIT Managers, consulting in good faith with ESR-REIT Manager with a view to establishing appropriate procedures to provide ESR-REIT Manager with access to information which it requires for the purposes of the Merger, and to facilitate the timely notification of material matters affecting their respective businesses to ESR-REIT Manager;

(l) Provision of Information: subject and without prejudice to any legal and regulatory obligations of the VIT Managers, from the date of the Implementation Agreement until (and including) the Effective Date, they will and will procure that the VIT Group authorise and direct their officers, employees, auditors, legal advisors and other advisers to provide reasonable assistance and to co-operate with ESR-REIT Manager as ESR-REIT Manager may reasonably request, for the completion of the Merger, the implementation of the Scheme and in connection with ESR-REIT Manager's plans for VIT post-completion of the Merger (including the refinancing of the VIT Existing Debt Facilities and providing the information concerning the VIT Group to ESR-REIT Manager for inclusion in the ESR-REIT Circular);

(m) Directors' Recommendation: using their best endeavours to procure that the VIT Independent Directors (Scheme) will recommend to the Stapled Securityholders to vote in favour of the Scheme at the Scheme Meeting, subject and without prejudice to the fiduciary duties of the VIT Independent Directors (Scheme). Without prejudice to the generality of the foregoing, the VIT Managers shall not be bound by this paragraph (m) if (i) there is a VIT Competing Proposal, the terms of which are in the opinion of the VIT IFA and the VIT Independent Directors more favourable to the Stapled Securityholders than the Scheme, or (ii) the VIT IFA is not of the opinion that the Scheme Consideration is fair and reasonable or does not advise the VIT Independent Directors (Scheme) to recommend that the Stapled Securityholders vote in favour of the Scheme, and in each case, the VIT Independent Directors (Scheme) in discharging their fiduciary duties are not able to recommend to the Stapled Securityholders to vote in favour of the Scheme at the Scheme Meeting;

(n) No Action: subject and without prejudice to any legal and regulatory obligations of the VIT Managers and their directors' fiduciary duties and their rights under this Agreement, taking no action which may be prejudicial to the successful completion of the Scheme;

(o) No Solicitation: during the period from the date of the Implementation Agreement to the Effective Date or (if earlier) the date of the termination of this Agreement, they will, subject to applicable laws and regulations:

  (i) save for the Manager Arrangements, deal exclusively with ESR-REIT Manager to complete the Merger and the Scheme;

  (ii) not, and not authorise or cause any of their respective employees, officers, advisers and representatives to, except with the prior written consent of ESR-REIT Manager, directly or indirectly, (A) solicit, initiate, induce, encourage or entertain any approach, expression of interest, offers or proposals from; (B) provide any information to or enter

into any discussions or negotiations with; (C) enter into any agreement, arrangement or understanding with; or (D) announce or communicate any intention to do any of the foregoing to or with, any third party in connection with any VIT Competing Proposal.

"**VIT Competing Proposal**" means (1) any general offer or trust scheme for the Stapled Securities of VIT; (2) any proposal for an acquisition of VIT or other business combination, merger, amalgamation or similar transaction involving VIT with any other entity; (3) any proposal for a sale of any Stapled Securities and/or assets of VIT; (4) save for the Manager Arrangements, any proposal for a sale of any of the VIT Managers' shares and/or assets; or (5) save for the Manager Arrangements (and due diligence investigations in connection thereto) and any other transaction contemplated in this Agreement, any other transaction (including allowing any third party to perform due diligence investigations on the VIT Managers and/or VIT) which would preclude, interfere with, restrict, delay or prejudice the Scheme; and

(iii) notify ESR-REIT Manager immediately should they become aware of any negotiations or discussions or of any approach or attempt to initiate any negotiations or discussions, or of any intention to make such an approach or attempt to initiate any negotiations or discussions, in respect of any VIT Competing Proposal.

For the avoidance of doubt, nothing in this Paragraph (o) shall prohibit or restrict the VIT Managers from:

(A) making normal presentations to brokers, portfolio investors, analysts and members of the press and media in the ordinary and usual course of business;

(B) receiving any unsolicited or uninitiated expression of interest, offer or proposal of a VIT Competing Proposal; and/or

(C) acknowledging the receipt of any correspondence relating to an unsolicited VIT Competing Proposal.

In the event that an unsolicited or uninitiated expression of interest, offer or proposal of any VIT Competing Proposal is received by the VIT Managers, the VIT Managers shall be entitled to take such action (including the making of announcements or recommendation to the Stapled Securityholders) as may be required for the purposes of:

(1) complying with the Listing Manual and the Code or any other laws, rules or regulations applicable to VIT; and/or

(2) allowing the directors of the VIT Managers to comply with or discharge their fiduciary duties, or other legal or regulatory obligations to which they are subject under applicable laws and regulations;

(p) Normal Dealing: they will and will procure that the Offeree Trustee, VIT and its subsidiaries will:

(i) use best and continued efforts to obtain the issuance by JTC of the lease (in the form similar to the lease attached to the First Schedule of the building agreement dated 19 March 2008 with amendments consistent with the terms of JTC's letter of consent to

the assignment to the Offeree Trustee dated 19 October 2015 and any other amendments to the lease must be reasonably acceptable to ESR-REIT Manager and the Offeror Trustee) in respect of the VIT Real Property, the particulars of which are set out in item 6 of Schedule 8 of the Implementation Agreement;

(ii) prior to the execution and registration of any registrable lease or variation of lease (as the case may be) to be entered into between JTC or HDB (as the case may be) and the Offeree Trustee:

(A) forthwith notify the Offeror Trustee and ESR-REIT Manager in writing, and provide copies of the said lease or variation of lease (as the case may be) to the Offeror Trustee and ESR-REIT Manager; and

(B) (1) if required by ESR-REIT Manager, request for clarification from JTC or HDB (as the case may be) and furnish any correspondence with JTC or HDB (as the case may be) in relation to the provisions contained in the lease or variation of lease (as the case may be); (2) not, without the prior written consent of ESR-REIT Manager (which reply shall be provided by ESR-REIT Manager within five (5) Business Days of a request for consent, failing which, ESR-REIT Manager shall be deemed to have provided such consent), execute the lease or variation of lease (as the case may be); and (3) if required by ESR-REIT Manager, do all things which may be necessary for the execution and perfection of the lease or variation of lease (as the case may be), including the payment of *ad valorem* stamp duty and registration with the SLA;

(iii) maintain the VIT Real Properties and the VIT Plant and Equipment in a good state of repair (fair wear and tear excepted) and keep insured the VIT Real Properties in such amounts as are reasonably regarded as adequate and against such risks (including without limitation, fire, damage and accident) normally insured against by companies owning properties of a similar nature;

(iv) in respect of the Head Leases relating to the VIT Real Properties:

(A) comply with and observe the terms and conditions under the Head Leases and not do or permit anything to be done which may result in a breach of any of the Head Leases; and

(B) forthwith notify the Offeror Trustee and ESR-REIT Manager in writing of any breach, non-performance or default of the terms of the Head Leases by the Offeree Trustee, and use all best efforts to remedy its breach, non-performance or default;

(v) comply with and observe the terms and conditions under the Occupation Agreements and not do or permit anything to be done which may cause a breach of any Occupation Agreement which would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole, and forthwith notify the Offeror Trustee and ESR-REIT Manager of any material breach of the Occupation Agreements or any breach by a Major Occupier of any Occupation Agreement;

(vi) as soon as reasonably practicable, provide to the Offeror Trustee and ESR-REIT Manager copies of any notices or demands in writing from any Governmental Authority in connection with the VIT Real Properties relating to any breach or non-compliance, and comply with the terms of such notices or demands as reasonably appropriate;

(vii) forthwith disclose to the Offeror Trustee and ESR-REIT Manager any actual or pending action, dispute, claims or demands by or against the Head Lessor or any Occupier under or in connection with any of the VIT Real Properties, the Head Leases or the Occupation Agreements (as the case may be) or any other legal proceedings commenced in relation to any of the VIT Real Properties;

(viii) forthwith disclose to the Offeror Trustee and ESR-REIT Manager any compulsory acquisition or a notice of compulsory acquisition or intended acquisition of land affecting or which may affect any of the VIT Real Properties in whole or in part, and provide to each of the Offeror Trustee and ESR-REIT Manager a copy of any such notice issued;

(ix) not sell, assign or otherwise dispose of any of the VIT Real Properties (or any part thereof) or any asset (other than capital expenditure items arising in the ordinary course of business), including shares or other interests in any subsidiary or in any other entity in which they have an interest;

(x) not without the prior written consent of ESR-REIT Manager (such consent not to be unreasonably withheld or delayed), make or agree to make any capital expenditure or acquire or agree to acquire any asset or real property or incur or agree to incur a commitment or commitments involving capital expenditure or the acquisition of any asset or real property, other than (1) capital expenditure arising in the ordinary course of business and each individual item not exceeding S$100,000 or all items not exceeding in total S$1,000,000, and (2) capital expenditure items set out in the VIT Capex Plan provided that the costs and expenses of the relevant capital expenditure items do not exceed the respective amounts set out in the VIT Capex Plan;

(xi) not create, or agree to create, any further Encumbrance over any of the VIT Real Properties;

(xii) in relation to the VIT Real Properties:

(A) not:

(1) without the prior written consent of ESR-REIT Manager (such consent not to be unreasonably withheld or delayed), terminate or serve any notice to terminate, accept any surrender of, or waive the terms of or consent to requests made by any Major Occupier of any Major Occupation Agreement. In the event the Offeree Trustee receives any notice of termination or non-renewal from any Major Occupier of any Major Occupation Agreement, the Offeree Trustee or the VIT Managers shall as soon as practicable notify ESR-REIT Manager in writing of the same; or

(2) without the prior written consent of ESR-REIT Manager (such consent not to be unreasonably withheld or delayed), enter into any New Occupation Agreement with:

(I) a Major Occupier; or

(II) a third party or an Occupier, who will upon entry into such New Occupation Agreement constitute a Major Occupier; or

(3) without the prior written consent of ESR-REIT Manager (such consent not to be unreasonably withheld or delayed), renew any Major Existing Occupation Agreement, save where there is a renewal of a Major Existing Occupation Agreement with the following terms:

(I) the proposed gross rent will be the same as or exceed the gross rent payable under the relevant Major Existing Occupation Agreement; and

(II) there is no proposed rent-free period, rebate, capital expenditure works, or other concessions to be granted to the Major Occupier;

(B) save as set out in the VIT Capex Plan, except with the prior written consent of ESR-REIT Manager (such consent not to be unreasonably withheld or delayed), not apply for any planning permission or sub-division of any of the VIT Real Properties or implement any planning permission or sub-division of any of the VIT Real Properties already obtained but not implemented;

(C) (save for any fitting out works carried out by an Occupier pursuant to an Occupation Agreement) without the prior written consent of ESR-REIT Manager, not carry out any alteration or addition to, or effect any change of use of any of the VIT Real Properties which would result in a material adverse effect on the business, operations, assets and/or financial condition of the VIT Group taken as a whole;

(D) without the prior written consent of ESR-REIT Manager, not make any deductions from the security deposits held pursuant to the Occupation Agreements;

(E) not release the respective Head Lessor under the Head Leases from any of its obligations, nor exercise any rights or powers of termination under any of the Head Leases or waive any breach of any of the Head Leases; and

(F) without the prior written consent of ESR-REIT Manager (such consent not to be unreasonably withheld or delayed), not make any amendment, modification or variation of any of the Head Leases;

(xiii) not enter into any guarantee, indemnity or other agreement to secure any obligation of a third party that is not a member of the VIT Group;

(xiv) not enter into any transaction with (A) any Stapled Securityholder or director of VIT or its subsidiaries; and/or (B) any shareholder and/or director of the VIT Managers;

(xv) not allot, or grant options to subscribe for, any Stapled Securities, securities convertible into Stapled Securities, or agree to make such an allotment or to grant such an option or convertible security, or do any of the foregoing with respect to their own securities or the securities of VIT;

(xvi) save with ESR-REIT Manager's prior written consent (such consent not to be unreasonably withheld or delayed), not incur any additional borrowing or indebtedness (other than in respect of (A) utilisations of existing debt facilities of VIT for items set out in the VIT Drawdown List and provided that the costs and expenses of the relevant items do not exceed the respective amounts set out in the VIT Drawdown List, or (B) the refinancing of the VIT Notes), or alter the terms of any existing borrowings or indebtedness;

(xvii) not declare, make and pay any distributions to Stapled Securityholders, except for the VIT Permitted Distributions; and

(xviii) without prejudice to the foregoing, not renew, amend or agree to renew or amend any terms of, any material agreement or arrangement to which any member of the VIT Group is a party or is bound by which would individually or together with other agreements or arrangements result in a VIT Material Adverse Effect;

(q) save in respect of the financial quarter ended 31 December 2017, the VIT Managers shall, and shall procure that the VI-Property Manager shall, elect to receive all fees in cash only (and not in Stapled Securities). If the Scheme is approved by Stapled Securityholders at the Scheme Meeting, the VIT Managers shall, and shall procure that the VI-Property Manager shall, elect to receive all fees (including the VIT Facilitation Fee) in cash only (and not in Stapled Securities) until completion of the Scheme; and

(r) Outstanding Claims: it will use reasonable endeavours to settle all outstanding claims payable as at the date of the Implementation Agreement under the construction contract for the asset enhancement initiatives carried out at Viva Business Park at 750 Chai Chee Road, Singapore 469000.

VIVA INDUSTRIAL TRUST

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of the holders of Stapled Securities (the "**Stapled Securityholders**") of Viva Industrial Trust ("**VIT**") will be held on 31 August 2018, Friday at 2.30 p.m. at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

RESOLUTION 1 (EXTRAORDINARY RESOLUTION)
THE VIT TRUST SCHEME AMENDMENTS

That:

(a) approval be and is hereby given to amend (i) the first amended and restated trust deed dated 14 October 2013 constituting Viva Industrial Real Estate Investment Trust ("**VI-REIT**") (amending and restating the trust deed dated 23 August 2013 constituting VI-REIT) ("**VI-REIT Trust Deed**"), (ii) the trust deed dated 14 October 2013 constituting Viva Industrial Business Trust ("**VI-BT**") ("**VI-BT Trust Deed**"), and (iii) the stapling deed dated 14 October 2013 stapling the VI-REIT units and VI-BT units to form stapled securities of VIT ("**Stapling Deed**" and together with the VI-REIT Trust Deed and the VI-BT Trust Deed, the "**VIT Trust Deeds**"), with the proposed amendments to the VIT Trust Deeds (the "**VIT Trust Scheme Amendments**") being described and set out in Part 1 of Appendix F to the Scheme Document dated 7 August 2018; and

(b) the VIT Managers, any director of the VIT Managers ("**Director**"), and Perpetual (Asia) Limited, in its capacity as trustee of VI-REIT ("**VI-REIT Trustee**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the VIT Managers, such Director, or as the case may be, the VI-REIT Trustee, may consider expedient or necessary or in the interests of VIT to give effect to the VIT Trust Scheme Amendments.

RESOLUTION 2 (EXTRAORDINARY RESOLUTION)
THE VIT FACILITATION FEE AMENDMENTS

That:

(a) approval be and is hereby given to amend the VI-REIT Trust Deed with the proposed amendments to the VI-REIT Trust Deed (the "**VIT Facilitation Fee Amendments**") being described and set out in Part 2 of Appendix F to the Scheme Document dated 7 August 2018; and

(b) the VIT Managers, any Director, and the VI-REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the VIT Managers, such Director, or as the case may be, the VI-REIT Trustee, may consider expedient or necessary or in the interests of VIT to give effect to the VIT Facilitation Fee Amendments.

By Order of the Board of Directors

Viva Industrial Trust Management Pte. Ltd.
(Company Registration No. 201204203W)
As manager of Viva Industrial Real Estate Investment Trust

Viva Asset Management Pte. Ltd.
(Company Registration No. 201316690M)
As trustee-manager of Viva Industrial Business Trust

7 August 2018

Important Notice:

(1) A Stapled Securityholder who is not a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Stapled Securityholder.

(2) Where a Stapled Securityholder appoints two proxies and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.

(3) A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead. Where such Stapled Securityholder appoints more than two proxies, the number and class of Stapled Securities in relation to which each proxy has been appointed shall be specified in the proxy form.

"**relevant intermediary**" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore who holds Stapled Securities in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(4) The proxy form must be lodged at the office of the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time set for holding the Extraordinary General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the VIT Managers and the VI-REIT Trustee (or their agents) for the purpose of the processing and administration by the VIT Managers and the VI-REIT Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the VIT Managers and the VI-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative to the VIT Managers and the VI-REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the VIT Managers and the VI-REIT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the VIT Managers and the VI-REIT Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

APPENDIX U — MANNER OF CONVENING SCHEME MEETING

The manner of convening the Scheme Meeting as ordered by the Court under the Scheme Meeting Court Order is set out below:

1. The VIT Managers and the VI-REIT Trustee shall be at liberty to convene the Scheme Meeting at a date, time and venue in Singapore to be determined by the VIT Managers and the VI-REIT Trustee.

2. The notice convening the Scheme Meeting ("**Notice**"), together with a copy of the Scheme, will be included in the Scheme Document and be provided to the Stapled Securityholders at least twenty-one (21) clear days (not inclusive of the day on which the Notice is served and of the day of the Scheme Meeting) before the date of the Scheme Meeting in the following manner:

   (i) in the case of Stapled Securityholders whose Stapled Securities are not deposited with The Central Depository (Pte) Limited (the "**CDP**"), by ordinary post to or left at the Stapled Securityholder's address as appearing in the Register of Stapled Securityholders or in the case of joint Stapled Securityholders, to the joint Stapled Securityholder whose name stands first in the Register; and

   (ii) in the case of Stapled Securityholders whose Stapled Securities are deposited with the CDP (being a "Depositor" as defined in Section 81SF of the Securities and Futures Act (Cap. 289)), by ordinary post to or left at the Stapled Securityholder's address as appearing in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289)), or in the case of joint Depositors, to the Joint Depositor whose name stands first as appearing in the Depository Register,

   save that, where there are potential restrictions on sending the Notice and/or the Scheme Document to any overseas jurisdiction, the VIT Managers and the VI-REIT Trustee need not send the Scheme Document to the Stapled Securityholders in such overseas jurisdiction.

3. The Notice be advertised in the "The Straits Times", stating the place at which and the manner in which the Scheme Document may be obtained, at least twenty-one (21) clear days before the date of the Scheme Meeting.

4. Further and/or in addition to paragraphs 2 and 3 above, an electronic copy of the Scheme Document shall be made available at the website of the SGX-ST at least twenty-one (21) clear days before the date of the Scheme Meeting. A Stapled Securityholder in an overseas jurisdiction may also write in to Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Stapled Security Registrar**"), at its registered office at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 to request for the Scheme Document to be sent to an address in Singapore by ordinary post up to three (3) Market Days (where "Market Day" refers to a day on which the SGX-ST is open for the trading of securities) prior to the date of the Scheme Meeting at such Stapled Securityholder's own risk.

5. Any accidental omission to give any Stapled Securityholder notice of the Scheme Meeting or the non-receipt of such notice by any Stapled Securityholder shall not invalidate the proceedings at the Scheme Meeting, unless ordered by the Court.

6. Subject to any restrictions under law or set by any relevant regulatory authority, each Stapled Securityholder is entitled to attend and vote at the Scheme Meeting either in person or by proxy and, unless the Court orders otherwise:

   (i) shall be entitled to appoint only one proxy to attend and vote at the Scheme Meeting; and

   (ii) may only cast all the votes it uses at the Scheme Meeting in one way, namely, either for or against each of the resolution(s) proposed at the Scheme Meeting.

7. Proxy forms must be completed, signed and deposited with the Stapled Security Registrar at its registered office at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for the Scheme Meeting. If a Stapled Securityholder fails to lodge a proxy form as stipulated, the proxy of such Stapled Securityholder shall not be entitled to vote at the Scheme Meeting.

8. Dr. Leong Horn Kee, a director and chairman of the board of directors of the VIT Managers, or failing him, any other director of the VIT Managers, be appointed to act as Chairman of the Scheme Meeting.

9. Subject to paragraph 1 above, the Chairman shall be at liberty to adjourn the Scheme Meeting for such period as he shall deem fit.

10. The Chairman shall report the results of the Scheme Meeting to the Court.

TRUST SCHEME OF ARRANGEMENT

Under Order 80 of the Rules of Court (Cap. 322, R5, 2014 Rev Ed)

In the matter of

VIVA INDUSTRIAL TRUST

comprising Viva Industrial Real Estate Investment Trust (a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) and Viva Industrial Business Trust (a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore)

Between

1. **VIVA INDUSTRIAL TRUST MANAGEMENT PTE. LTD (in its capacity as manager of Viva Industrial Real Estate Investment Trust)** (Company Registration No. 201204203W)

2. **VIVA ASSET MANAGEMENT PTE. LTD. (in its capacity as trustee-manager of Viva Industrial Business Trust)** (Company Registration No. 201316690M)

3. **PERPETUAL (ASIA) LIMITED (formerly known as THE TRUST COMPANY (ASIA) LIMITED) (in its capacity as trustee of Viva Industrial Real Estate Investment Trust)** (Company Registration No. 200518022M)

And

THE STAPLED SECURITYHOLDERS
(as defined in the Scheme)

And

THE ESR-REIT MANAGER
(as defined in the Scheme)

And

THE ESR-REIT TRUSTEE
(as defined in the Scheme)

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1. DEFINITIONS

1.1 In this Scheme (as defined below), except where the context or subject matter otherwise indicates or requires, the following words and phrases shall have the meanings set out opposite them:

"Books Closure Date"	:	The books closure date and time to be announced (which announcement shall be before the Effective Date) by the VIT Managers on which the transfer books and the Register of Stapled Securityholders will be closed in order to determine the entitlements of the Stapled Securityholders in respect of the Scheme
"Business Day"	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
"Business Trusts Act"	:	Business Trusts Act, Chapter 31A of Singapore
"CDP"	:	The Central Depository (Pte) Limited
"Code"	:	The Singapore Code on Take-overs and Mergers
"Cash Consideration"	:	As defined in Clause 5.1.1 below
"Consideration Units"	:	As defined in Clause 5.1.2 below
"Court"	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
"Effective Date"	:	The date on which the Scheme becomes effective and binding in accordance with its terms, and which date shall, in any event, be no later than the Long Stop Date
"Encumbrances"	:	Any 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
"Entitled Stapled Securityholders"	:	Stapled Securityholders as at 5.00 p.m. on the Books Closure Date
"ESR-REIT Manager"	:	ESR Funds Management (S) Limited

"ESR-REIT Permitted Distributions"	:	The distributions declared, paid or made by the ESR-REIT Manager to the ESR-REIT Unitholders (a) in the ordinary course of business in respect of the period from 1 January 2018 to the Effective Date; and (b) in respect of tax refunds (if any) received by ESR-REIT prior to the Effective Date from the Inland Revenue Authority of Singapore in relation to taxes previously paid. For avoidance of doubt, "ESR-REIT Permitted Distributions" shall not include distributions declared, paid or made by the ESR-REIT Manager to the ESR-REIT Unitholders in respect of proceeds received in connection with the sale of any of the real properties owned by ESR-REIT
"ESR-REIT Trustee"	:	RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT
"ESR-REIT Unitholders"	:	The registered holder for the time being of an ESR-REIT Unit, including person(s) 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 ESR-REIT Units
"ESR-REIT Units"	:	The issued and paid-up units of ESR-REIT
"Implementation Agreement"	:	The implementation agreement dated 18 May 2018 entered into between the ESR-REIT Trustee, the ESR-REIT Manager, the VI-REIT Trustee, the VI-REIT Manager and the VI-BT Trustee Manager setting out the terms and conditions on which the Scheme will be implemented
"Joint Announcement"	:	The joint announcement by the VIT Managers and the ESR-REIT Manager dated 18 May 2018 in relation to, inter alia, the Merger and the Scheme
"Long Stop Date"	:	1 November 2018, or such other date as the parties to the Implementation Agreement, namely, the ESR-REIT Trustee, the ESR-REIT Manager, the VI-REIT Trustee, the VI-REIT Manager and the VI-BT Trustee Manager may agree in writing
"Merger"	:	The proposed merger of ESR-REIT and VIT which will be effected through the acquisition by ESR-REIT of all the Stapled Securities held by the Stapled Securityholders by way of the Scheme in compliance with the Code

"Record Date"	:	The date falling on the Business Day immediately preceding the Effective Date
"Register of Stapled Securityholders"	:	The register of Stapled Securityholders of VIT
"Rules of Court"	:	Rules of Court, Chapter 322, R 5 of Singapore
"Scheme"	:	This trust scheme in its present form (as may be amended or modified from time to time)
"Scheme Consideration"	:	As defined in Clause 5.1 below
"Scheme Document"	:	The document dated 7 August 2018 and any other document(s) which may be issued by or on behalf of the VIT Managers to amend, revise, supplement or update the document(s) from time to time
"Securities Account"	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Stapled Securities"	:	The issued and paid-up stapled securities of VIT
"Stapled Securityholder"	:	The registered holder for the time being of a Stapled Security, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Stapled Securityholder" shall, in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Stapled Securities
"Stapling Deed"	:	The stapling deed dated 14 October 2013 entered into between the VI-REIT Manager, the VI REIT Trustee and the VI-BT Trustee-Manager
"VI-BT"	:	Viva Industrial Business Trust
"VI-BT Trust Deed"	:	The trust deed VI-BT dated 14 October 2013 constituting VI-BT
"VI-BT Trustee-Manager"	:	Viva Asset Management Pte. Ltd., as trustee-manager of the VI-BT
"VI-REIT"	:	Viva Industrial Real Estate Investment Trust

"VI-REIT Manager"	:	Viva Industrial Trust Management Pte. Ltd., as manager of VI-REIT
"VI-REIT Trust Deed"	:	The first amended and restated trust deed dated 14 October 2013 constituting VI-REIT
"VI-REIT Trustee"	:	Perpetual (Asia) Limited, in its capacity as trustee of VI-REIT
"VIT"	:	Viva Industrial Trust, the stapled group comprising VI-REIT and VI-BT
"VIT Managers"	:	The VI-REIT Manager and VI-BT Trustee-Manager
"VIT Permitted Distributions"	:	The distributions declared, paid or made by the VIT Managers to the Stapled Securityholders (a) in the ordinary course of business in respect of the period from 1 January 2018 to the Effective Date, and (b) in respect of tax refunds (if any) received by VIT prior to the Effective Date from the Inland Revenue Authority of Singapore in relation to taxes previously paid. For the avoidance of doubt, "**VIT Permitted Distributions**" shall not include distributions declared, paid or made by the VIT Managers to the Stapled Securityholders in respect of proceeds received in connection with the sale of any real properties owned by VIT
"VIT Trust Deeds"	:	The VI-REIT Trust Deed, the VI-BT Trust Deed and the Stapling Deed

1.2 The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

1.3 The headings in this Scheme are inserted for convenience only and shall be ignored in construing this Scheme.

1.4 Words denoting the singular number only shall, where applicable, include the plural number and *vice versa*, and words denoting persons only shall, where applicable, include firms and corporations.

1.5 Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.

1.6 Words importing any gender shall, where applicable, include the other gender and references to any person shall, where applicable, include that person's successor and permitted assigns.

1.7 Any reference to a statutory provision shall include such provision and any regulations made in pursuance thereof as may from time to time be modified or re-enacted whether before or after the date of this Scheme.

1.8 Any reference in this Scheme to a time of day and date shall be a reference to Singapore time and date, unless otherwise stated.

2. PREAMBLE

2.1 VIT is a stapled group comprising VI-REIT and VI-BT. The units in VI-REIT and VI-BT are stapled together under the terms of the Stapling Deed and cannot be traded separately.

2.2 VI-REIT is a real estate investment trust constituted in the Republic of Singapore under a trust deed dated 23 August 2013 and as amended and restated by the VI-REIT Trust Deed dated 14 October 2013. VI-REIT is managed by the VI-REIT Manager.

2.3 VI-BT is a business trust constituted in the Republic of Singapore under the VI-BT Trust Deed dated 14 October 2013 and registered under the Business Trusts Act on 25 October 2013. VI-BT is managed by the VI-BT Trustee-Manager.

2.4 VIT was listed on the Mainboard of the SGX-ST on 4 November 2013.

2.5 ESR-REIT is a real estate investment trust constituted in the Republic of Singapore under a trust deed dated 31 March 2006 (as supplemented and amended) and was listed on the Mainboard of the SGX-ST on 25 July 2006. ESR-REIT is managed by the ESR-REIT Manager.

2.6 On 18 May 2018, the VIT Managers and the ESR-REIT Manager jointly announced the Merger, which shall be effected through the acquisition by ESR-REIT of all the Stapled Securities from the Stapled Securityholders by way of a trust scheme of arrangement in compliance with the Code.

2.7 The ESR-REIT Trustee, the ESR-REIT Manager, the VI-REIT Trustee, the VI-REIT Manager and the VI-BT Trustee Manager have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme.

2.8 The main purpose of this Scheme is to give effect to the Merger.

2.9 The ESR-REIT Manager has agreed to appear by legal counsel at the hearing of the application to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary and desirable to be executed or done by it for the purpose of giving effect to this Scheme.

3. SCHEME CONDITIONS AND EFFECTIVENESS OF THE SCHEME

This Scheme is conditional upon each condition precedent set out in clause 3.1 of the Implementation Agreement (as reproduced in Appendix N to the Scheme Document) being satisfied or, where applicable, waived in accordance with the terms of the Implementation Agreement.

4. TRANSFER OF STAPLED SECURITIES

4.1 With effect from the Effective Date, all the Stapled Securities held by the Entitled Stapled Securityholders as at the Books Closure Date will be transferred to the ESR-REIT Trustee (as trustee of ESR-REIT):

4.1.1 fully paid;

4.1.2 free from all Encumbrances; and

4.1.3 together with all rights, benefits and entitlements as at the date of the Joint Announcement and thereafter attaching thereto, including the right to receive and retain all rights and distributions (if any) declared by the VIT Managers on or after the date of the Joint Announcement, except for the VIT Permitted Distributions.

On the Effective Date, the ESR-REIT Trustee (as trustee of ESR-REIT) will hold 100 per cent. (100%) of the Stapled Securities. For the avoidance of doubt, the Parties shall be entitled to announce, declare, make or pay the VIT Permitted Distributions and ESR-REIT Permitted Distributions (as the case may be) without any adjustment to the Scheme Consideration. The Stapled Securityholders shall have the right to receive and retain the VIT Permitted Distributions in addition to the Scheme Consideration.

The ESR-REIT Manager reserves the right to adjust the Scheme Consideration if any distribution in excess of the VIT Permitted Distributions is declared, paid or made by the VIT Managers on or after the date of the Implementation Agreement.

4.2 For the purpose of giving effect to the transfer of the Stapled Securities as provided for in Clause 4.1 of this Scheme:

4.2.1 in the case of Entitled Stapled Securityholders (not being Depositors), the VIT Managers shall authorise any person to execute or effect on behalf of all such Entitled Stapled Securityholders an instrument or instruction of transfer of all the Stapled Securities held by such Entitled Stapled Securityholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Stapled Securityholder; and

4.2.2 in the case of the Entitled Stapled Securityholders (being Depositors), the VIT Managers shall instruct CDP, for and on behalf of such Entitled Stapled Securityholders, to debit, not later than **seven (7) Business Days** after the Effective Date, all of the Stapled Securities standing to the credit of the Securities Account(s) of such Entitled Stapled Securityholders and credit all of such Stapled Securities to the Securities Account(s) of the ESR-REIT Trustee (as trustee of ESR-REIT).

5. SCHEME CONSIDERATION

5.1 In consideration of the transfer of the Stapled Securities in accordance with Clause 4.1 of this Scheme and subject to Clause 3 of this Scheme, the ESR-REIT Manager shall pay to the Entitled Stapled Securityholders S$0.96 per Stapled Security held by each of them as at the Books Closure Date (the "**Scheme Consideration**"), which shall be satisfied by:

5.1.1 firstly, the payment by the ESR-REIT Manager out of the assets of ESR-REIT of S$0.096 per Stapled Security (the "**Cash Consideration**"); and

5.1.2 secondly, the allotment and issue by the ESR-REIT Manager of new ESR-REIT Units (the "**Consideration Units**") at an issue price of S$0.54 for each Consideration Unit, such Consideration Unit to be credited as fully paid-up.

The Scheme Consideration implies a gross exchange ratio of 1.778x[1] taking into account the Cash Consideration.

The cash amount to be paid to a Stapled Securityholder will be rounded down to the nearest S$0.01.

No fractions of a Consideration Unit shall be issued to any Entitled Stapled Securityholder. The number of Consideration Units which Stapled Securityholders will be entitled to pursuant to the Scheme, based on their holdings of Stapled Securities as at the Books Closure Date, will be rounded down to the nearest whole Consideration Unit and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be issued to any Entitled Stapled Securityholder pursuant to the Scheme.

5.2 The Cash Consideration

5.2.1 The ESR-REIT Manager shall, not later than seven (7) business days after the Effective Date, and against the transfer of the Stapled Securities set out in Clause 4.1 of this Scheme:

(a) Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP

pay each Entitled Stapled Securityholder (not being a Depositor) by sending a cheque for the Cash Consideration payable to and made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders.

(b) Entitled Stapled Securityholders whose Stapled Securities are deposited with CDP

pay each Entitled Stapled Securityholder (being a Depositor) by making payment of the Cash Consideration payable to such Entitled Stapled Securityholder to CDP. CDP shall:

(i) in the case of an Entitled Stapled Securityholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Cash Consideration payable to such Entitled Stapled Securityholder, to the designated bank account of such Entitled Stapled Securityholder; and

[1] Based on the Scheme Consideration of S$0.96 per Stapled Security divided by the issue price of S$0.54 per Consideration Unit.

(ii) in the case of an Entitled Stapled Securityholder (being a Depositor) who has not registered for CDP's direct crediting service, send to such Entitled Stapled Securityholder, by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date regardless of whether such Entitled Stapled Securityholder holds the Stapled Securities as custodian or nominee and at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholder, to the first named Entitled Stapled Securityholder by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholder, a cheque for the payment of such Cash Consideration made out in favour of such Entitled Stapled Securityholder.

5.2.2 On and after the day being six (6) calendar months after the posting of such cheques relating to the Cash Consideration, the ESR-REIT Manager shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the ESR-REIT Manager's name with a licensed bank in Singapore selected by the ESR-REIT Manager.

5.2.3 The ESR-REIT Manager or its successor entities shall hold such moneys until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clause 5.2.1 of this Scheme to persons who satisfy the ESR-REIT Manager or its successor entities that they are respectively entitled thereto and that the cheques referred to in Clause 5.2.1 of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the ESR-REIT Manager hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to Clause 5.2.1 of this Scheme.

5.2.4 On the expiry of six (6) years from the Effective Date, the ESR-REIT Manager shall be released from any further obligation to make any payments of the Cash Consideration under this Scheme.

5.2.5 Clause 5.2.4 of this Scheme shall take effect subject to any prohibition or condition imposed by law.

5.3 The Consideration Units

5.3.1 The ESR-REIT Manager shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Clause 4.1 of this Scheme:

(a) Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP

deliver the confirmation notes for the relevant number of new ESR-REIT Units to each Entitled Stapled Securityholder (not being a Depositor) by sending to such Entitled Stapled Securityholder the same by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled

Stapled Securityholder by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders; and

(b) Entitled Stapled Securityholders whose Stapled Securities are deposited with CDP

deliver the confirmation notes for the relevant number of new ESR-REIT Units to each Entitled Stapled Securityholder (being a Depositor) by sending the same to CDP. CDP shall send to such Entitled Stapled Securityholder, by ordinary post at his address as appearing in the Depository Register at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post at his address as appearing in the Depository Register at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders, a statement showing the number of new ESR-REIT Units credited to his Securities Account.

5.3.2 All mandates or other instructions given by any Entitled Stapled Securityholder relating to the payment of distributions by VIT or relating to notices, annual report or other communications in force on the Record Date shall, unless and until specifically revoked in writing, be deemed on and from the Effective Date to be an effective mandate or, as the case may be, an effective instruction in respect of his corresponding holding of new ESR-REIT Units.

5.4 The despatch of payment and delivery of confirmation notes by the ESR-REIT Manager to each Entitled Stapled Securityholder's address and/or CDP (as the case may be) in accordance with Clause 5 of this Scheme shall be deemed as a good discharge to ESR-REIT, ESR-REIT Manager, VIT, the VIT Managers and CDP for the moneys and new ESR-REIT Units represented thereby.

5.5 From the Effective Date, each existing confirmation note representing a former holding of Stapled Securities by Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby. The Entitled Stapled Securities (not being Depositors) shall forward their existing confirmation notes relating to their Stapled Securities to the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation.

6. EFFECTIVE DATE

6.1 Subject to the satisfaction of the conditions precedent set out in Clause 3 of this Scheme, the Effective Date of this Scheme shall be on the date falling 10 Business Days after the last of the Scheme Conditions set out in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(d) and 3.1(e) of the Implementation Agreement (as reproduced in Appendix N to the Scheme Document) has been satisfied (or such other date as may be agreed in writing between the VIT Managers and the ESR-REIT Manager and which date shall, in any event, be no later than the Long Stop Date).

6.2 Unless the Scheme shall have become effective and binding as aforesaid on or before the Long Stop Date, this Scheme shall lapse.

6.3 The VIT Managers, the VI-REIT Trustee, the ESR-REIT Manager and the ESR-REIT Trustee may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.

6.4 In the event that this Scheme does not become effective and binding for any reason, the costs and expenses incurred by the VIT Managers in connection with this Scheme will be paid out of the assets of VIT.

7. PROPER LAW AND JURISDICTION

7.1 This Scheme shall be governed by, and construed in accordance with, by the laws of the Republic of Singapore.

7.2 VIT, the VIT Managers, the VI-REIT Trustee, ESR-REIT, the ESR-REIT Trustee, the ESR-REIT Manager and the Stapled Securityholders hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Republic of Singapore.

8. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B OF SINGAPORE

A person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term or provision of this Scheme.

Dated this 7th day of August 2018

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 687/2018

In the Matter of Order 80 of the Rules of Court (Cap. 322, R5, 2014 Rev Ed)

And

In the Matter of VIVA INDUSTRIAL TRUST comprising Viva Industrial Real Estate Investment Trust (a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) and Viva Industrial Business Trust (a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore)

1. **VIVA INDUSTRIAL TRUST MANAGEMENT PTE. LTD. (in its capacity as manager of Viva Industrial Real Estate Investment Trust)** (Company Registration No. 201204203W)

2. **VIVA ASSET MANAGEMENT PTE. LTD. (in its capacity as trustee-manager of Viva Industrial Business Trust)** (Company Registration No. 201316690M)

3. **PERPETUAL (ASIA) LIMITED (formerly known as THE TRUST COMPANY (ASIA) LIMITED) (in its capacity as trustee of Viva Industrial Real Estate Investment Trust)** (Company Registration No. 200518022M)

... Applicants

TRUST SCHEME OF ARRANGEMENT

Between

Viva Industrial Trust Management Pte Ltd.
(in its capacity as manager of Viva Industrial Real Estate Investment Trust)

Viva Asset Management Pte Ltd.
(in its capacity as trustee-manager of Viva Industrial Business Trust)

Perpetual (Asia) Limited
(in its capacity as trustee of Viva Industrial Real Estate Investment Trust)

And

Stapled Securityholders (as defined herein)

And

ESR Funds Management (S) Limited
(in its capacity as manager of ESR-REIT)

And

RBC Investor Services Trust Singapore Limited
(in its capacity as trustee of ESR-REIT)

NOTICE OF SCHEME MEETING

NOTICE IS HEREBY GIVEN that by an Order of Court made in the above matter, the High Court of the Republic of Singapore (the "**Court**") has directed a meeting (the "**Scheme Meeting**") of stapled securityholders (the "**Stapled Securityholders**") of Viva Industrial Trust ("**VIT**") to be convened and such Scheme Meeting shall be held on 31 August 2018, Friday at 4.00 p.m. at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 (or as soon thereafter following the conclusion or adjournment of the extraordinary general meeting of the Stapled Securityholders to be held at 2.30 p.m. on the same day and at the same venue (the "**Extraordinary General Meeting**"), whichever is later), for the purpose of considering and, if thought fit, approving the following resolution. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the Scheme Document dated 7 August 2018.

THE SCHEME RESOLUTION

RESOLVED THAT:

(a) subject to and contingent upon the passing of Resolution 1 at the Extraordinary General Meeting, the trust scheme of arrangement dated 7 August 2018 proposed to be made in accordance with the VIT Trust Deeds (as amended pursuant to Resolution 1 at the Extraordinary General Meeting) and in compliance with the Code, between (i) the VIT Managers, (ii) the VI-REIT Trustee, (iii) the Stapled Securityholders, (iv) the ESR-REIT Manager and (v) the ESR-REIT Trustee, a copy of which has been circulated with the Notice convening this Scheme Meeting, be and is hereby approved: and

(b) the VIT Managers and the VI-REIT Trustee are hereby severally authorised to complete and do all such acts and things (including executing all such documents) as the VIT Managers and the VI-REIT Trustee may consider expedient or necessary or in the interests of VIT to give effect to the Scheme.

Notes:

1. A copy of the said Scheme is incorporated in the Scheme Document of which this Notice forms part.
2. Stapled Securityholders (including Overseas Stapled Securityholders) may obtain copies of the Scheme Document and any related documents during normal business hours and up to the date of the Scheme Meeting from the Stapled Security Registrar at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Stapled Securityholder may write in to the Stapled Security Registrar at the same address to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Scheme Meeting.
3. A form of proxy applicable for the Scheme Meeting (the "**Proxy Form (Scheme Meeting)**") is enclosed with the Scheme Document, of which this Notice forms part.
4. Each Proxy Form (Scheme Meeting) must be signed by the appointor or his attorney duly authorised in writing. Where a Proxy Form (Scheme Meeting) is executed by a corporation, it must be either executed under its common seal or signed by its officer or attorney so authorised.
5. A corporation, being a Stapled Securityholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Scheme Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

6. A Stapled Securityholder voting by proxy shall be included in the count of Stapled Securityholders present and voting at the Scheme Meeting as if that Stapled Securityholder was voting in person, such that the votes of a proxy who has been appointed to represent more than one Stapled Securityholder at the Scheme Meeting shall be counted as the votes of the number of appointing Stapled Securityholder.

7. The Proxy Form (Scheme Meeting) and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Scheme Meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Stapled Securityholder but must attend the Scheme Meeting in person to represent the appointor.

8. A Stapled Securityholder may appoint one (and not more than one) proxy to attend and vote at the Scheme Meeting, PROVIDED THAT if the Stapled Securityholder is a Depositor, the VIT Managers shall be entitled and bound:

   (i) to reject any Proxy Form (Scheme Meeting) lodged if the Depositor is not shown to have any Units entered against his name in the Depository Register as at 48 hours before the time of the Scheme Meeting as certified by the Depository to the VIT Managers; and

   (ii) to accept as the maximum number of votes which in aggregate the proxy appointed by the Depositor is or are able to cast on a poll a number which is the number of Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the Scheme Meeting as certified by the Depository to the VIT Managers, whether that number is greater or smaller than the number specified in any Proxy Form (Scheme Meeting) executed by or on behalf of that Depositor.

9. In the case of joint Stapled Securityholders, any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting, the person whose name stands first in the Register of Stapled Securityholders of VIT or, as the case may be, the Depository Register shall alone be entitled to vote.

10. A Stapled Securityholder may only cast all the votes it uses at the Scheme Meeting in one way, namely, either for or against the resolution to be proposed at the Scheme Meeting.

11. By the said Order of Court, the Court has appointed Dr. Leong Horn Kee, or failing him, any director of the VIT Managers, to act as Chairman of the Scheme Meeting and has directed the Chairman to report the results thereof to the Court.

12. The said Scheme will be subject to, *inter alia*, the subsequent approval of the Court.

Personal Data Privacy:

By submitting an instrument appointing a proxy and/or representative to attend, speak and vote at the Scheme Meeting and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the VIT Managers and the VI-REIT Trustee (or their agents) for the purpose of the processing and administration by the VIT Managers and the VI-REIT Trustee (or their agents) of proxies and representatives appointed for the Scheme Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Scheme Meeting (including any adjournment thereof), and in order for the VIT Managers and the VI-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy and/or representative to the VIT Managers and the VI-REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the VIT Managers and the VI-REIT Trustee (or their agents) of

the personal data of such proxy and/or representative for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the VIT Managers and the VI-REIT Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

Dated this 7th day of August 2018

By Order of the Court

Viva Industrial Trust Management Pte. Ltd.
(as manager of Viva Industrial Real Estate Investment Trust)
750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Viva Asset Management Pte. Ltd.
(as trustee-manager of Viva Industrial Business Trust)
750 Chai Chee Road
#04-03 Viva Business Park
Singapore 469000

Perpetual (Asia) Limited
(as trustee of Viva Industrial Real Estate Investment Trust)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

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