ESR-REIT
(a real estate investment trust constituted on 31 March 2006 under the laws of the Republic of Singapore)

Managed by
ESR Funds Management (S) Limited
(Company Registration No: 200512804G)

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)

JOINT ANNOUNCEMENT

PROPOSED MERGER OF VIVA INDUSTRIAL TRUST AND ESR-REIT BY WAY OF A TRUST SCHEME OF ARRANGEMENT

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1. INTRODUCTION

1.1 **The Merger and the Scheme**. 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**") are pleased to announce 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**") have today entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Parties will implement the Scheme.

2. KEY TERMS OF THE PROPOSED 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

explained below), 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 a books closure date (to be announced before the date on which the Scheme becomes effective in accordance with its terms (the "**Effective Date**")) on which the transfer books and the Register of Stapled Securityholders of VIT will be closed in order to determine the entitlements of the Stapled Securityholders in respect of the Scheme (the "**Books Closure Date**"), will be transferred to the ESR-REIT Trustee:

(i) fully paid;

(ii) free from 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 ("**Encumbrances**"); and

(iii) together with all rights, benefits and entitlements as at the date of this Joint Announcement (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 (as defined in paragraph 2.3 below),

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 (as defined in paragraph 2.2 below).

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 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 post-adjustment for the Cash Consideration[1].

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

[1] Based on the Scheme Consideration of S$0.96 per Stapled Security divided by issue price of S$0.54 per Consideration 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 by it as at the Books Closure Date.

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 or transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

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 **Delisting**. Upon the Scheme becoming effective in accordance with its terms, VIT will be wholly-owned by the ESR-REIT Trustee and will, subject to the approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), be delisted and removed from the Official List of the SGX-ST.

2.5 **Amendment of VIT Trust Deeds**. In connection with the implementation of the Scheme, 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**").

2.6 **VIT Facilitation Fee**. In addition, 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** (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.

For the avoidance of doubt, subject to the approval of the VIT Facilitation Fee Amendments as set out in paragraph 11.2 of this Joint Announcement, 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. Further information on the VIT Facilitation Fee will be included in the document to be issued by the VIT Managers on behalf of VIT to all the Stapled Securityholders (the "**Scheme Document**").

2.7 **Approval of the Stapled Securityholders**. The Scheme will require, *inter alia*, 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 meeting of the Stapled Securityholders to be convened pursuant to the order of the High Court of the Republic of Singapore or where applicable on appeal, the Court of Appeal of the Republic of Singapore (the "**Court**") to approve the Scheme and any adjournment thereof (the "**Scheme Meeting**").

Further details in respect of the approvals required in connection with the Scheme are set out in paragraph 11 of this Joint Announcement.

2.8 **Scheme Document and Expected Indicative Timeline**. Detailed information on the Merger, the Scheme and the terms and conditions upon which the Scheme will be implemented by the VIT Managers and the ESR-REIT Manager will be set out in the Scheme Document.

An expected indicative timeline is also set out in **Schedule 2** to this Joint Announcement.

3. INFORMATION ON VIT AND THE VIT MANAGERS

3.1 **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 dormant.

As at the Joint Announcement Date, VIT has in issue an aggregate of 975,758,607 Stapled Securities.

3.2 **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 Joint Announcement 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 Viva Investment Management Pte. Ltd. ("**VIM**").

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) ("**Mr. Tong**");

(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).

3.3 **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. VI-BT is presently inactive.

As at the Joint Announcement 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 Joint Announcement 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 will comprise independent directors as required under the Business Trusts Regulations 2005.

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

4.1 **ESR-REIT**. 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 Joint Announcement Date, ESR-REIT has in issue an aggregate of 1,583,701,947 ESR-REIT Units.

4.2 **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);[2]

(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 Joint Announcement 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.

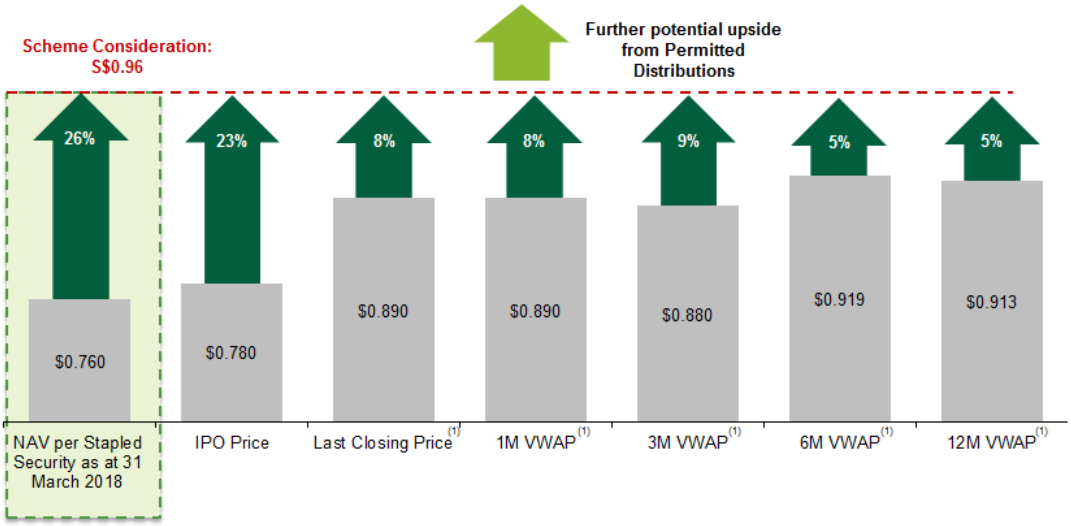
As at the Joint Announcement Date, the ESR-REIT Manager is owned by ESR Investment Management Pte. Ltd. ("**ESRIM**") and Mitsui & Co., Ltd ("**Mitsui**").

5. RATIONALE FOR THE MERGER AND ESR-REIT'S CURRENT INTENTIONS FOR VIT

5.1 Value Accretive to Stapled Security Holders

The Scheme Consideration represents a premium of approximately 26% over the net asset value per Stapled Security as at 31 March 2018, a premium of approximately 8% over VIT's last closing price on 17 May 2018 (being the last trading day immediately prior to the date of this Joint Announcement) and a premium of approximately 23% to VIT's initial public offering price. Stapled Securityholders may have the opportunity to receive further VIT Permitted Distributions above the Scheme Consideration if and when declared by the VIT Managers.

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



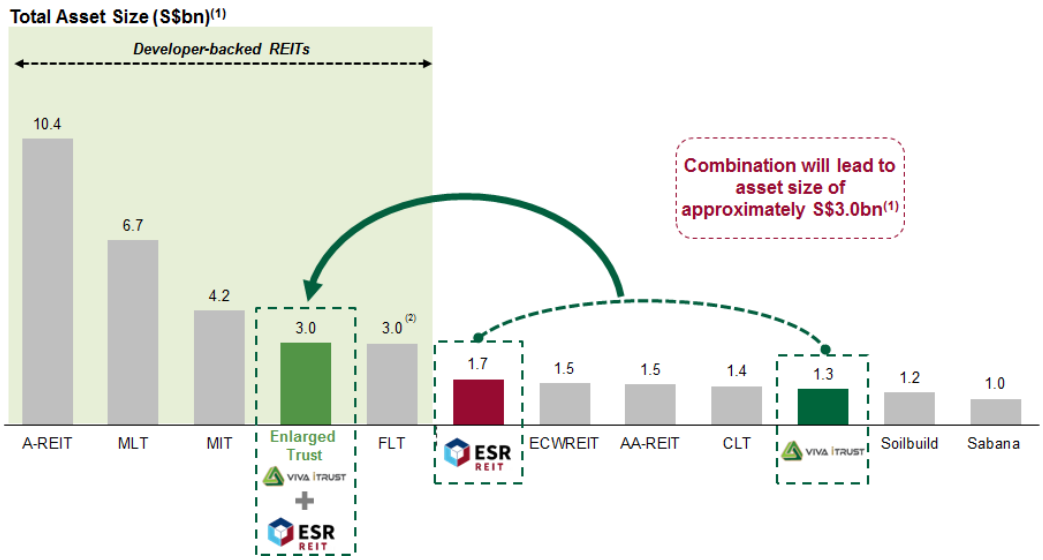
Source: Bloomberg.

(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 this Joint Announcement.

5.2 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 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

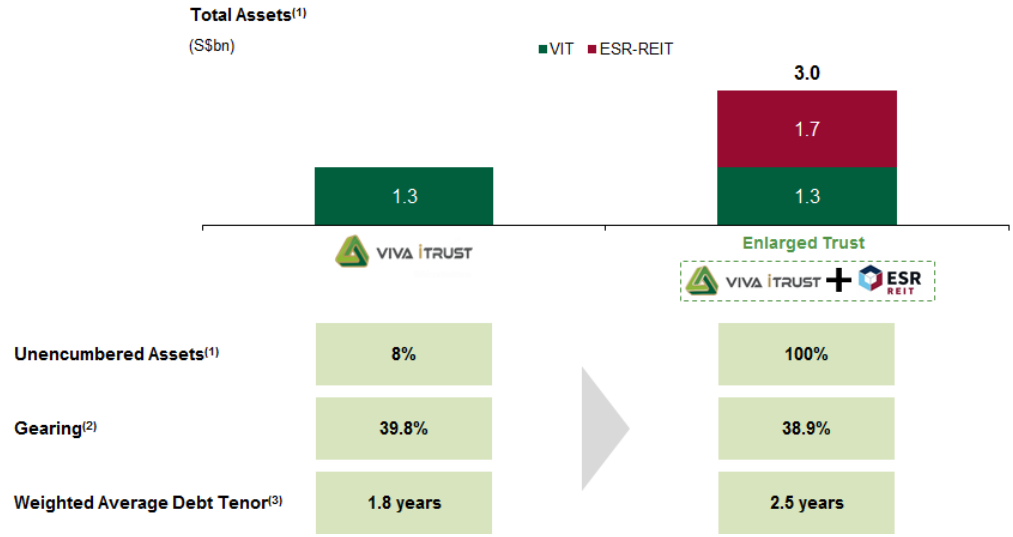


Source: Company Filings.

(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 1.00:1.00 as at 8 May 2018.

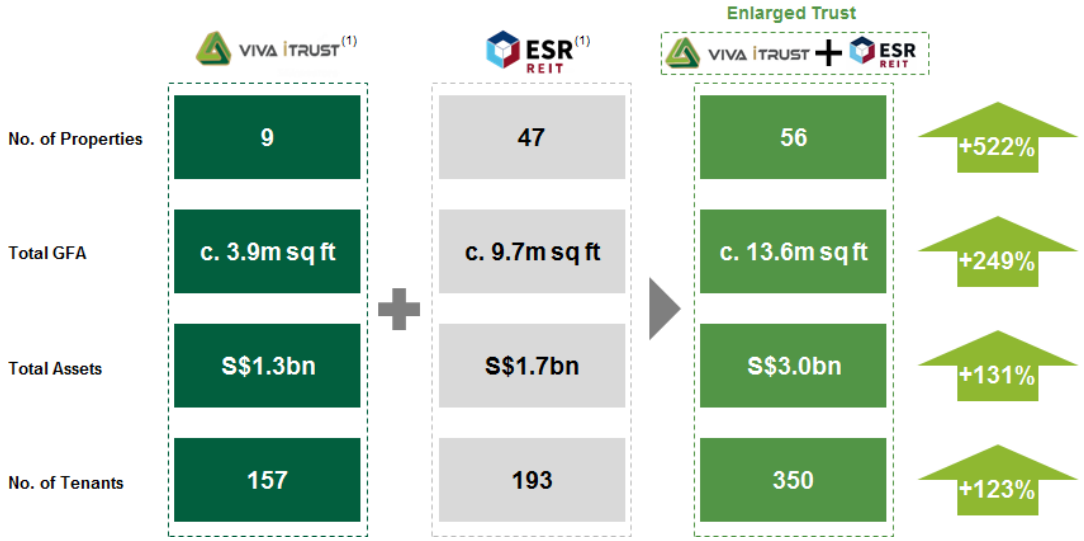
- the Merger will result in a gearing of 38.9% for the Enlarged Trust. The Enlarged Trust's portfolio will be 100% unencumbered compared to 8% for VIT's current portfolio, allowing it to benefit from better access to capital and a more competitive cost of debt. Weighted average debt tenor also increases from 1.8 years to 2.5 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 September 2018.

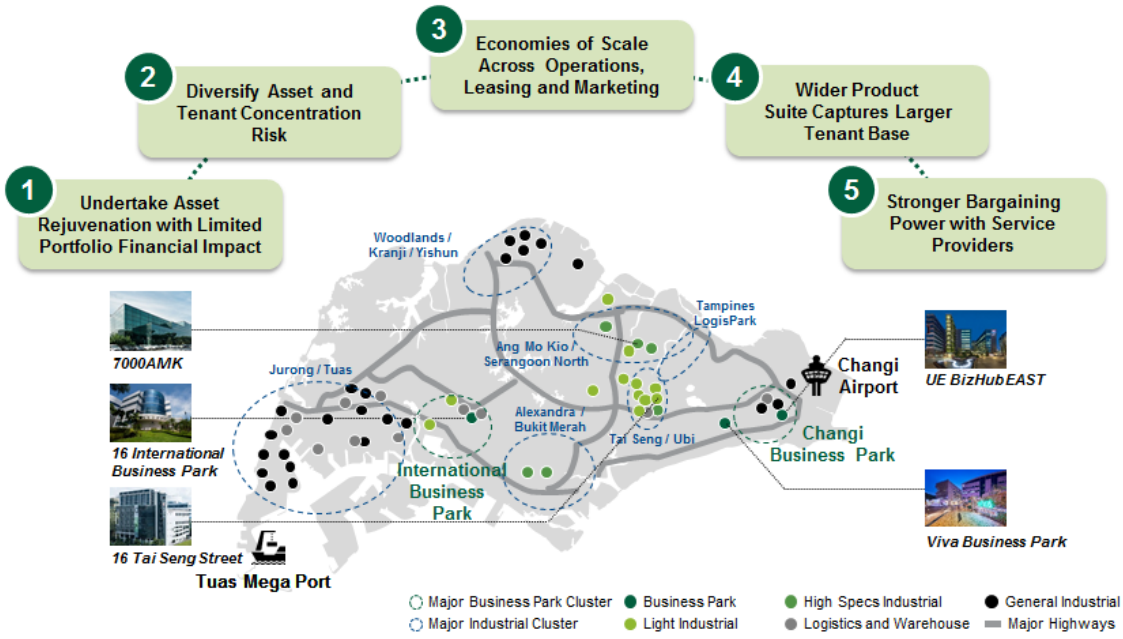
5.3 Enlarged and Diversified Portfolio

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.

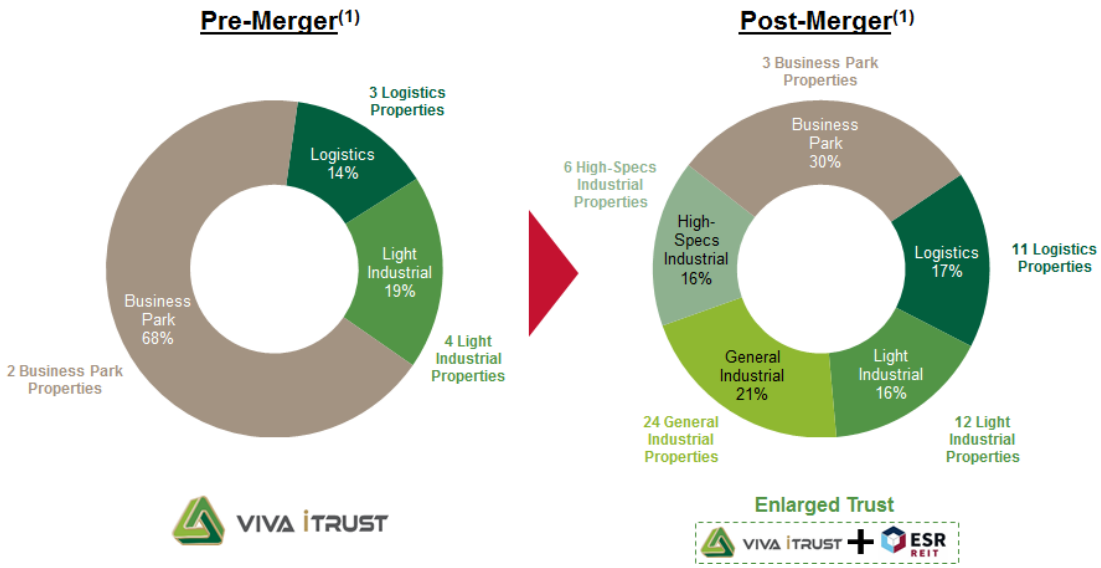


(1) As at 31 March 2018.

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 with limited portfolio financial impact, 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.

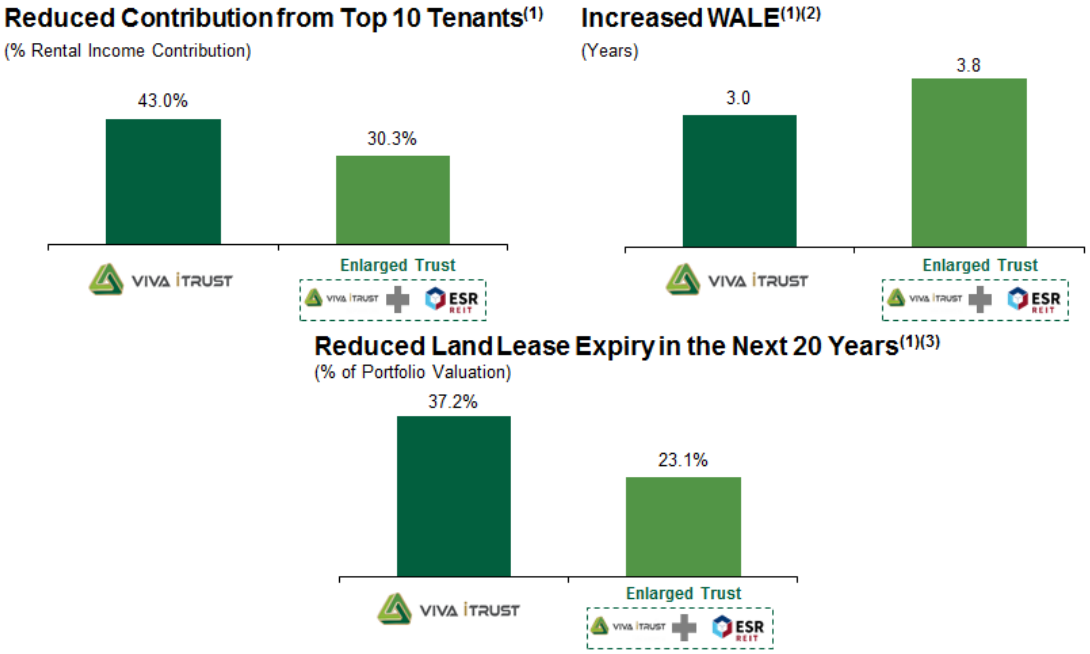


Note: Percentages may not add up to 100% due to rounding.
(1) Portfolio valuation as at 31 March 2018.

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 43.0% to 30.3%
- 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) As at 31 March 2018.
(2) Enlarged Trust computed as weighted average of VIT WALE and ESR-REIT WALE weighted by rental income per month.
(3) 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 ("**AEI**"). VIT's current portfolio will provide ESR-REIT with immediate access into the Business Parks and High-Specs sectors, 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 AEI at 7000 Ang Mo Kio Ave 5 in ESR-REIT's portfolio will further provide potential value accretion through potentially higher yields post AEI.

5.4 **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 ESR, a leading pan-Asian logistics real estate platform.

With ESR's support, the Enlarged Trust will have the opportunity to acquire ESR's visible pipeline of assets, positioning it for future scalable growth and overseas expansion where ESR has a presence.

Moreover, the Enlarged Trust will also have the ability to leverage ESR's strong network of strategic relationships with leading global e-commerce companies, retailers, logistic services providers and manufacturers.



(1) As at 31 March 2018.
(2) Selected properties from ESR's regional portfolio.

5.5 **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), 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:

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

(b) the refinancing in full of the indebtedness under (i) 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. SCHEME CONDITIONS

6.1 **Scheme Conditions**. The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the "**Scheme Conditions**") set out in **Schedule 3** to this Joint Announcement.

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[3] after the last of the Scheme Conditions set out in paragraphs (a), (b), (c), (d) and (e) of **Schedule 3** to this Joint Announcement has been satisfied (or such other date as may be agreed between the VIT Managers and the ESR-REIT Manager).

[3] In this Joint Announcement, "**Business Day**" means a day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore.

6.2 **Benefit of Scheme Conditions**.

(a) **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 **Schedule 4** to this Joint Announcement relating to VIT and its subsidiaries (the "**VIT Group**")), paragraph (h), paragraph (j) and paragraph (k)(i) of **Schedule 3** to this Joint Announcement.

(b) **VIT Managers' Benefit**. The VIT Managers alone may waive the Scheme Conditions at paragraph (g) (in relation to any Prescribed Occurrences set out in **Schedule 4** to this Joint Announcement relating to ESR-REIT and its subsidiaries (the "**ESR-REIT Group**")), paragraph (i) and paragraph (k)(ii) of **Schedule 3** to this Joint Announcement.

(c) **Parties' Benefit**. The Scheme Conditions set out in paragraphs (a), (b), (c), (d), (e) and (f) of **Schedule 3** to this Joint Announcement are not capable of being waived by any or all of the Parties.

7. TERMINATION

7.1 **Right to Terminate**. The Implementation Agreement may be terminated at any time on or prior to the date falling on the Business Day immediately preceding the Effective Date (the "**Record Date**") (provided that the Party seeking termination does so only after it has had prior consultation with the Securities Industry Council ("**SIC**")):

(a) (i) **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;

(ii) **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

(iii) **ESR-REIT Unitholders' Approval**. by either the ESR-REIT Manager or the VIT Managers, if the resolutions in respect of ESR-REIT Unitholders' Approval[4] 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;

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[4] In this Joint Announcement, "**ESR-REIT Unitholders' Approval**" means the approval of the Unitholders for:
(a) the Merger;
(b) the issue of 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 (the "**Whitewash Resolution**"). "**Tong Group**" means Leading Wealth Global Inc, Longemont Real Estate Pte. Ltd., Shanghai Summit (Group) Co. Ltd, Shanghai Summit Pte. Ltd., Wealthy Fountain Holdings Inc, Skyline Horizon Consortium Ltd, Mr. Tong Jinquan and Mr. Tong Yu Lou.

(b) **Competing Proposal**. without prejudice to the obligations described in paragraph 7.3 of this Joint Announcement, if either a VIT Competing Proposal[5] or a ESR-REIT Competing Proposal[6] 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;

(c) **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 **Schedule 3** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) by 1 November 2018 or such other date as the Parties may agree in writing (the "**Long-Stop Date**"), except that:

(i) in the event of any non-fulfilment of the Scheme Conditions in paragraphs (a), (b), (c), (d), (e) and/or (f) of **Schedule 3** to this Joint Announcement, 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;

(ii) in the event of any non-fulfilment of the Scheme Conditions in paragraph (g) (in relation to any Prescribed Occurrences set out in **Schedule 4** to this Joint Announcement relating to the VIT Group), paragraph (h), paragraph (j) and paragraph (k)(i) of **Schedule 3** to this Joint Announcement, 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

(iii) in the event of any non-fulfilment of the Scheme Conditions in paragraph (g) (in relation to the Prescribed Occurrences set out in **Schedule 4** to this Joint Announcement relating to ESR-REIT), paragraph (i) and paragraph (k)(ii) of **Schedule 3** to this Joint Announcement, 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.

7.2 **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.

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[5] In this Joint Announcement, "**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 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.

[6] In this Joint Announcement, "**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 (as defined in the Implementation Agreement), 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.

7.3 **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.

(b) The obligation to pay the Break Fee as described in this paragraph 7.3 shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the VIT Managers described in this paragraph 7.3, if any, have been satisfied.

7.4 **Reverse Break Fee**. Pursuant to the terms of the Implementation Agreement:

(a) 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**").

(b) The obligation to pay the Reverse Break Fee as described in this paragraph 7.4 shall survive termination of the Implementation Agreement and remain in effect until all liabilities of the ESR-REIT Manager described in this paragraph 7.4, if any, have been satisfied.

7.5 **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.

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

7.6 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 (a) a higher cap for the Break Fee as compared to the Reverse Break Fee, and (b) 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 7.5 above, to take into account the costs and expenses incurred by ESR-REIT in connection with the entry into the financing facilities as described in paragraph 5.5 above.

8. SPECIFIC OBLIGATIONS OF THE MANAGERS

8.1 **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.

8.2 **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 electing and procuring that Viva Real Estate Asset Management Pte Ltd (the "**VI-Property Manager**") elects to receive all fees, save in respect of the financial quarter ended 31 December 2017 in cash only (and not in Stapled Securities) until the completion of the Scheme.

8.3 **Exclusive Dealing**. Each of the ESR-REIT Manager and the VIT Managers has undertaken to, save for the Manager Arrangements (as defined below), deal exclusively with each other to complete the Merger and the Scheme.

8.4 Further details on the specific obligations to be undertaken by ESR-REIT Manager and the VIT Managers will be set out in the Scheme Document.

9. MANAGER ARRANGEMENTS

9.1 In connection with the Scheme, it is also intended that, subject to the receipt of regulatory approvals:

(a) the ESR-REIT Manager in its own capacity as purchaser will execute 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. The consideration for the VI-REIT

Manager Transaction will be paid to VIM[7] 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**").

9.2 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[8]:

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

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**"), certain directors and key management staff of the VI-REIT Manager will be joining the ESR-REIT Manager, further details of which will be contained in the Scheme Document.

9.3 Following completion of the Manager Arrangements, VI-REIT will be managed by the ESR-REIT Manager. Accordingly, the ESR-REIT Manager will continue to be the manager of the enlarged ESR-REIT portfolio.

9.4 The VI-REIT Manager Transaction will be funded by ESRIM via a capital injection 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.

9.5 The SIC has 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.

10. VIT DEEDS OF UNDERTAKING

10.1 **VIT Deeds of Undertaking**. Each of the Stapled Securityholders set out in the table below (collectively, the "**Undertaking Stapled Securityholders**") has given an irrevocable

[7] 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. Justice Offshore Holdings (BVI) Limited is a wholly-owned subsidiary of ESR Cayman Limited.

[8] The ESR-REIT Manager is currently owned by ESRIM (80%) and Mitsui (20%).

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.

The number of Stapled Securities held by the Undertaking Stapled Securityholders as at the Joint Announcement 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.	Goh Tiong Yong	8,668,914	0.89%
2.	Teo Soon Eng	2,300,000	0.24%
3.	Carol Goh Su Lin	1,500,000	0.15%
4.	Goh Su Min	800,000	0.08%
5.	Meiban Investment Pte Ltd	24,444,142	2.51%
6.	M3 Capital Pte Ltd	3,600,000	0.37%
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%**

10.2 **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.

10.3 **No Other Irrevocable Undertakings**. Save for the VIT Deeds of Undertaking, neither ESR-REIT nor any Relevant Person (as defined in paragraph 16.2 below) has received any irrevocable undertaking from any party to vote in favour of the Scheme as at the Joint Announcement Date.

11. APPROVALS REQUIRED

11.1 **Scheme Meeting and Court Sanction**. The Scheme will require, *inter alia*, the following approvals:

(a) 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 VIT Trust Scheme Amendments ("**Resolution 1**");

(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 2**"); and

(c) the order of the Court sanctioning the Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore (the "**Scheme Court Order**") being obtained.

Resolution 2 in respect of the Scheme is contingent upon the approval of Resolution 1 in respect of the VIT Trust Scheme Amendments. In the event that Resolution 1 is not passed, the VIT Managers will not proceed with Resolution 2. This means that the Scheme cannot be implemented by the VIT Managers and the ESR-REIT Manager unless both Resolutions 1 and 2 are 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.

11.2 **VIT Facilitation Fee Amendments**. 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 is also required for the VIT Facilitation Fee Amendments ("**Resolution 3**").

For the avoidance of doubt, Resolutions 1 and 2 are not conditional on Resolution 3 being passed.

11.3 **SIC 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; and

(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, Chapter 322, R 5 of Singapore; and

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

11.4 **ESR-REIT EGM**. An extraordinary general meeting of ESR-REIT will also be convened to seek the approval of the ESR-REIT Unitholders for (a) the Merger, (b) the issue of 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.

Further information on the approvals required from the ESR-REIT Unitholders and the transaction from the ESR-REIT perspective are further described in the announcement by ESR-REIT Manager on the date hereof, which is available on the website of SGX-ST at www.sgx.com.

11.5 **Exemption in respect of Mr. Tong**. 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. Nonetheless, Mr. Tong 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.

12. ABSTENTION FROM VOTING

12.1 **Scheme Resolutions**. In accordance with the SIC's rulings as set out in paragraph 11.3(a) (i), 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 of the SGX-ST (the "**Listing Manual**"), the VI-REIT Manager, the VI-Property Manager, HLGPL, the HLGT Trustee and Mr. Wilson Ang Poh Seong will abstain from voting on the Scheme.

12.2 **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 the Scheme Meeting.

The VIT Managers 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 3 at the Scheme Meeting.

In addition, the VIT Managers and their associates shall decline to accept appointment as proxy to attend and vote at the Scheme Meeting in respect of the proposed VIT Facilitation Fee 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.

13. FINANCIAL ADVISERS

13.1 **Financial Adviser to the VIT Managers**. BofA Merrill Lynch is the sole financial adviser to the VIT Managers in respect of the Merger and the Scheme.

13.2 **Financial Adviser 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.

13.3 **Independent Financial Adviser to the VIT Independent Directors**. As previously announced by the VIT Managers on 15 May 2018, KPMG Corporate Finance Pte Ltd has been appointed 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**"). The VIT IFA has also been appointed to advise whether the VIT Facilitation Fee and the VIT Facilitation Fee Amendments are on normal commercial terms and not prejudicial to the interests of VIT and its minority Stapled Securityholders. The VIT IFA has also been appointed to advise whether the price paid for the VI-REIT Manager pursuant to the VI-REIT Manager Transaction is not above the fair market value of the VI-REIT Manager.

Full details of the Scheme including the recommendation of the VIT Independent Directors along with the advice of the VIT IFA (the "**VIT IFA Letter**") will be included in the Scheme Document.

13.4 **Independent Financial Adviser to the ESR-REIT Independent Directors**. Pursuant to Chapter 9 of the Listing Manual, the ESR-REIT Manager has appointed Australia and New Zealand Banking Group Limited, Singapore Branch ("**ANZ**") as the independent financial adviser (the "**ESR-REIT IFA**") to advise the ESR-REIT Manager's Audit, Risk Management and Compliance Committee (the "**ARCC**") and its directors who are considered independent for the purposes of the interested person transaction and interested party transaction (the "**Independent Directors (IPT)**") as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of ESR-REIT and its minority unitholders.

In addition to the foregoing, ANZ has also been appointed as the independent financial adviser to advise the directors who are considered independent for the purposes of the Whitewash Resolution (the "**Independent Directors (Whitewash)**") as to whether the financial terms of the Merger (that is the subject of the Whitewash Resolution) are fair and reasonable.

A copy of the letter from ANZ to the Independent Directors (IPT), the Independent Directors (Whitewash) and the members of the ARCC will be included in the circular to be despatched to the ESR-REIT Unitholders in due course.

14. CONFIRMATION OF FINANCIAL RESOURCES

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.

15. SCHEME DOCUMENT

Scheme Document. The Scheme Document containing full details of the Scheme (including the recommendation of the VIT Independent Directors along with the VIT IFA Letter) and giving notice of the Scheme Meeting to approve the Scheme will be despatched to the Stapled Securityholders in due course.

Stapled Securityholders are advised to refrain from taking any action in relation to their Stapled Securities which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the VIT Independent Directors on the Scheme as well as the advice of the VIT IFA set out in the Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

16. DISCLOSURE OF INTERESTS

16.1 **VIT Managers**. As at the Joint Announcement Date, based on the Register of Directors' Stapled Securityholdings maintained by the VIT Managers, the interests in Stapled Securityholders 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. Micheal Tan Hai Peng	-	-	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 in this paragraph 16.1 of this Joint Announcement are based on the total issued Stapled Securities as at the Joint Announcement Date, being 975,758,607 Stapled Securities in issue.

(2) Mr. Tong owns 100% of Shanghai Summit (Group) Co., Ltd, which in turn owns 100% of Longemont Real Estate Pte Ltd, which in turn owns 100% of Leading Wealth Global Inc. Mr. Tong Jinquan is therefore deemed to be interested in the Stapled Securities held by Leading Wealth Global Inc.

(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. Micheal Tan Hai Peng owns 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, Mr. Micheal Tan Hai Peng is deemed to be interested in the Stapled Securities held by the VI-REIT Manager and the VI-Property Manager.

(5) Mr. Micheal Tan Hai Peng 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 (the "**HLGT Trustee**").

(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.

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

16.2 **Offeror**.

(a) **Holdings**. As at the Joint Announcement Date, none of (i) the ESR-REIT Manager, (ii) the directors of the ESR-REIT Manager, and/or (iii) the ESR-REIT Financial Advisers (each, a "**Relevant Person**" and collectively, the "**Relevant Persons**") owns, controls or has agreed to acquire any (A) Stapled Securities; (B) securities which carry voting rights in VIT; and (C) convertible securities, warrants, options or derivatives in respect of such Stapled Securities or securities which carry voting rights in VIT (collectively, the "**VIT Securities**"). As at the Joint Announcement Date, e-Shang Infinity Cayman Limited, an indirect subsidiary of ESR Cayman Limited, holds 36,629,800 Stapled Securities, representing approximately 3.75% of the total number of Stapled Securities.

(b) **Irrevocable Undertakings**. Save as disclosed in this Joint Announcement, none of the Relevant Persons has received any irrevocable commitment or undertakings from any party to vote and/or procure the voting of all of the Stapled Securities to approve the Scheme and any other matter necessary or proposed to implement the Scheme.

(c) **Other Arrangements**. None of the Relevant Persons has:

(i) granted a security interest over any VIT Securities to another person, whether through a charge, pledge or otherwise;

(ii) borrowed from another person any VIT Securities (excluding borrowed securities which have been on-lent or on-sold); or

(iii) lent to another person any VIT Securities.

(d) **Confidentiality**. In the interests of confidentiality, save for the Relevant Persons, the ESR-REIT Manager has not made any enquiries in respect of certain other parties who are or who may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, the ESR-REIT Financial Advisers have not made any enquiries in respect of the other members of its respective groups. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document.

17. OVERSEAS STAPLED SECURITYHOLDERS

The applicability of the Scheme to Stapled Securityholders whose addresses are outside Singapore, as shown on the Register of Stapled Securityholders of VIT, or as the case may be, in the records of The Central Depository (Pte) Limited (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.

Where there are potential restrictions on sending the 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.

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

Further details in relation to the Overseas Stapled Securityholders will be contained in the Scheme Document.

18. DOCUMENTS FOR INSPECTION

Copies of the Implementation Agreement and the VIT Deeds of Undertaking will be made available for inspection during normal business hours at the office of the VIT Managers in Singapore at 750 Chai Chee Road, #04-03 Viva Business Park, Singapore 469000, from the Joint Announcement Date up until the Effective Date.

19. RESPONSIBILITY STATEMENTS

19.1 **ESR-REIT Manager**. The directors of the ESR-REIT Manager (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (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 Joint Announcement, the omission of which would make any statement in this Joint Announcement 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 Joint Announcement. The directors of the ESR-REIT Manager jointly and severally accept responsibility accordingly.

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

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from ESR-REIT and/or the ESR-REIT Manager, the sole responsibility of the directors of the VIT Managers 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 Joint Announcement. The directors of the VIT Managers jointly and severally accept responsibility accordingly.

18 May 2018

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)

BY ORDER OF THE BOARD

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

Viva Asset Management Pte. Ltd.
as Trustee-Manager of Viva Industrial Business Trust
(Company Registration No. 201316690M)

Any queries relating to this Joint Announcement, the Merger or the Scheme should be directed to one of the following:

ESR Funds Management (S) Limited

Citigroup Global Markets Singapore Pte. Ltd.
Tel: +65 6657 1959

Viva Industrial Trust Management Pte. Ltd.
Viva Asset Management Pte. Ltd.

BofA Merrill Lynch
Tel: +65 6331 3888

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the ESR-REIT Manager's and the VIT Managers' current view of future events, and neither the ESR-REIT Manager nor the VIT Managers undertakes any obligation to update publicly or revise any forward-looking statements.

SCHEDULE 1

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 (or any adjourned meeting) 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

(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 (or any adjourned meeting) 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

(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 (or any adjourned meeting) 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

(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."

SCHEDULE 2

EXPECTED INDICATIVE TIMELINE

(a) The Court hearing of the application to convene the Scheme Meeting is expected to take place in June 2018.[9]

(b) The Scheme Meeting and extraordinary general meeting of ESR-REIT in connection with the Merger are expected to take place on the same day in August 2018.

(c) The Court hearing of the application to approve the Scheme is expected to take place in August 2018.

(d) The Effective Date is expected to be in September 2018.

Please note that the above timeline is indicative only and may be subject to change. Please refer to future announcement(s) by the VIT Managers and/or the ESR-REIT Manager for the exact dates of these events.

[9] The date of the Court hearing of the application to (a) convene the Scheme Meeting, and (b) approve the Scheme, will depend on the date that is allocated by the Court.

SCHEDULE 3

SCHEME CONDITIONS

All capitalised terms used and not defined in this Joint Announcement 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 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 **Schedule 1**;

(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.

SCHEDULE 4

THE PRESCRIBED OCCURRENCES

All capitalised terms used and not defined in this Joint Announcement 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.

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).