PRESS RELEASE

ESR-REIT and Viva Industrial Trust propose to merge

- *Creates 4th largest industrial REIT in Singapore with approximately S$3.0 billion in assets*
- *Enhances portfolio quality and scalability through operational economies of scale, risk diversification, exposure to attractive business park segment and better access to capital*
- *Backed by ESR Group, the Enlarged Trust will be well-positioned for growth and overseas expansion through a visible pipeline of quality assets and network across Asia*
- *Transaction is value-accretive for VIT Stapled Securityholders and distribution per unit (DPU)-accretive for ESR-REIT Unitholders on a historical pro forma basis*

SINGAPORE, 18 May 2018 – The respective managers of ESR-REIT and Viva Industrial Trust ("**VIT**") today jointly announced details of the proposed merger of all the issued and paid-up stapled securities (the "**Stapled Securities**") of VIT held by the stapled securityholders of VIT (the "**VIT 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**").

Mr Adrian Chui, Chief Executive Officer and Executive Director of the ESR-REIT Manager said: "Size does matter for REITs. This merger will be a milestone transaction that will create a portfolio that is stronger, more resilient and better-diversified. Leveraging our respective capabilities in operational and capital management, we will be in a strong position to deliver value to unitholders."

Mr Wilson Ang, Chief Executive Officer and Executive Director of the VIT Managers commented: "The merger will be transformational for both VIT and ESR-REIT as we build on each other's strengths. We will benefit from the support of a strong Pan-Asian Developer-Sponsor whose financial strength, sizeable asset portfolio and regional presence will allow us to fast-track our growth aspirations."

Transaction Details

The Merger will be effected by way of a trust scheme of arrangement (the "**Scheme**") in accordance with the Singapore Code on Take-overs and Mergers.

The Scheme consideration payable to VIT Stapled Securityholders is S$0.96 per Stapled Security on an ex-distributions basis, providing VIT with an implied equity value of approximately S$936.7 million. The Scheme consideration will be satisfied 10% in cash and 90% through the issuance of new ESR-REIT Units, implying a gross exchange ratio of 1.778x[1].

By way of illustration, based on the issue price of S$0.54 per new ESR-REIT Unit, VIT Stapled Securityholders can expect to receive S$9.60 in cash and 160 new ESR-REIT Units, for every 100 Stapled Securities held.

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

Transaction Rationale

The Merger will provide the Enlarged Trust with four key benefits, as outlined below.

1. Creation of a sizeable and liquid industrial S-REIT

The Merger will combine the portfolios of ESR-REIT and VIT to create a larger and more diversified industrial REIT. With an asset base of approximately S$3.0 billion, the Enlarged Trust is expected to become the 4th largest industrial REIT listed on the Singapore Exchange by total asset size. Consequently, the Enlarged Trust should enjoy greater resilience and flexibility, as well as a strengthened balance sheet with increased debt tenures, greater access to capital and a competitive cost of debt on an unsecured basis.

The Enlarged Trust will benefit from a significant increase in market capitalisation to S$1.7 billion[2]. Similarly, the Enlarged Trust's free float will increase to S$977 million[3]. This will result in higher trading liquidity, a larger investor base and potential index inclusion. Post the Merger, the Enlarged Trust could potentially enjoy a positive re-rating of its Unit price which will benefit all unitholders.

2. Enhanced portfolio quality and scale with strategic addition of high quality properties

The Merger will enhance the Enlarged Trust's portfolio quality and scale, with a wider suite of industrial space offerings across a range of sub-sectors island-wide. Following the completion of the Merger, the number of properties in the Enlarged Trust's portfolio will increase to 56, with a total gross floor area (GFA) of 13.6 million square feet. With the sizeable portfolio, the Enlarged Trust is expected to benefit from economies of scale across operations, leasing and marketing.

The Enlarged Trust will also enjoy greater diversification into in-demand and value-added sectors through the combination of VIT's Business Parks and Logistics assets and ESR-REIT's General Industrial and High-Specs Industrial properties. The wider product suite will position the Enlarged Trust to capture a larger segment of industrial tenants.

Underpinned by a larger asset portfolio, the Enlarged Trust will have greater strategic and operational flexibility as asset enhancement and redevelopment initiatives can be undertaken with reduced impact to distributions. This increases the Enlarged Trust's ability to deliver organic growth and create long-term value for unitholders.

Mr Ang said: "The combination of both ESR-REIT and VIT's portfolios will increase our exposure to tenant profiles from the high-specs and general industrial sectors. The Singapore government's Industry 4.0[4] initiatives are expected to boost the attractiveness of these sectors in the near future, and the Enlarged Trust's portfolio of assets will therefore place us in good stead for long-term growth."

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[2] Based on the issuance of approximately 1,585.0 million new ESR-REIT Units as part of the Scheme Consideration and manager acquisition fee paid in ESR-REIT Units for the Merger at the issue price of S$0.54 per ESR-REIT Unit.

[3] Excludes the stakes of the directors and chief executive officer of the ESR-REIT Manager, the substantial unitholders of the Enlarged Trust, the controlling unitholders of the Enlarged Trust, and their respective associates. Based on 1,583.7 million ESR-REIT Units in issue as at 17 May 2018, the issue of approximately 1,585.0 million new ESR-REIT Units as part of the Scheme Consideration and manager acquisition fee paid in ESR-REIT Units for the Merger at the issue price of S$0.54 per ESR-REIT Unit.

[4] Industry 4.0, or the fourth industrial revolution, can be defined as the convergence of digital and physical in every industrial sector. (Source: Singapore Economic Development Board)

3. Enlarged Trust will be well-supported by a strong and committed Developer-Sponsor

The Enlarged Trust will benefit from the support of a strong and committed Developer-Sponsor in ESR. As a leading Pan-Asian logistics real estate developer, operator and fund manager platform, ESR has external assets under management of over US$11 billion[5], and GFA of c.10 million square metres[5] in operation and under development.

As part of the sponsor group that was co-founded by the leading private equity firm Warburg Pincus, and backed by blue-chip institutional investors, the Enlarged Trust will have the opportunity to acquire the sponsor's visible pipeline of assets. This will allow the Enlarged Trust to enhance its scalability and expand overseas into countries where ESR has a presence.

Furthermore, the Enlarged Trust will be able to leverage ESR's strong network of strategic relationships with leading global e-commerce companies, retailers, logistics service providers and manufacturers as it strives to expand its tenant base.

4. Strong position to deliver value for stakeholders

The Merger is value-accretive for VIT Stapled Securityholders and DPU-accretive for ESR-REIT Unitholders on a historical pro forma basis. Furthermore, management and leadership of the Enlarged Trust will be strengthened as certain key executives and board members of the VIT Managers will be joining the ESR-REIT Manager subject to regulatory clearance.

Mr Chui also said: "We are confident that this transaction will be positive for both the ESR-REIT Unitholders and the VIT Stapled Securityholders. In particular, the aggregation of the complementary and high-quality portfolios, combined expertise of both management teams, and the continued support and commitment of our sponsor, will position us for greater growth moving forward."

Approvals Required

The Scheme will require, amongst others, the approval of the VIT Trust Scheme Amendments and the approval of the Scheme from VIT Stapled Securityholders.

In addition to the approvals required from VIT Stapled Securityholders, the Scheme will require the sanction of the Scheme by the Singapore Court.

ESR-REIT will also be required to seek the approval of ESR-REIT Unitholders at an extraordinary general meeting to be convened.

Financial Advisers

Citigroup Global Markets Singapore Pte. Ltd., RHB Securities Singapore Pte. Ltd. and United Overseas Bank Limited are the financial advisers to the ESR-REIT Manager in respect of the Merger.

BofA Merrill Lynch is the sole financial adviser to the VIT Managers on the Merger.

Further information on the Merger can also be found in both ESR-REIT and VIT's investor presentations and the joint announcement, which can be downloaded from SGXNET or ESR-REIT's and VIT's respective websites.

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[5] As at 31 March 2018.

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Responsibility Statements

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

VIT Managers. The directors of the Viva Industrial Trust Management Pte. Ltd. (as manager of Viva Industrial Real Estate Investment Trust) and Viva Asset Management Pte. Ltd. (as trustee-manager of Viva Industrial Business Trust) (collectively, the "**VIT Managers**") (including those who may have delegated detailed supervision of this Press Release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Press Release (other than those relating to ESR-REIT and ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**")) are fair and accurate and that there are no other material facts not contained in this Press Release, the omission of which would make any statement in this Press Release misleading.

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About ESR-REIT

ESR-REIT has been listed on the Singapore Exchange Securities Trading Limited since 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 sq ft and a property value of S$1.65 billion[6]. The properties are in the following business sectors: General Industrial, Light Industrial, Logistics/ Warehouse, Hi-Specs Industrial, and Business Park, and are located close to major transportation hubs and key industrial zones island-wide.

The ESR-REIT Manager's objective is to provide Unitholders with a stable and secure income stream through the successful implementation of the following strategies:

- Pro-active asset management
- Acquisition of value-enhancing properties
- Divestment of non-core properties
- Prudent capital and risk management

The ESR-REIT Manager, is owned by two stakeholders, namely, ESR Cayman Limited ("ESR") (indirectly c.80 percent) and Mitsui & Co., Ltd ("Mitsui") (20 percent):

- Headquartered in Hong Kong, ESR is one of the leading pan-Asia logistics real estate platforms, focusing on developing and managing institutional-quality logistics facilities that cater to third-party logistics ("3PLs") providers, e-commerce companies, bricks-and-mortar retailers, cold-chain logistics providers and industrial companies. Co-founded by Warburg Pincus and backed by some of the world's preeminent investors including APG, CPPIB, Goldman Sachs, JD.com, PGGM, Ping An and SK Holdings, ESR's platform represents one of the largest in the Asia-Pacific region managing approximately 10 million square metres of projects owned and under development across China, Japan, Singapore, South Korea and India, with capital and funds management offices in Hong Kong and Singapore. Its current assets under management stands at over US$11 billion.

- Mitsui is one of the largest corporate conglomerates in Japan and listed on the Tokyo Stock Exchange. It is one of the largest publicly traded companies in the world. Mitsui also developed the Japan Logistics Fund Inc., a publicly listed REIT in Japan dedicated to investing in distribution facilities.

For further information on ESR-REIT, please visit www.esr-reit.com.sg

[6] Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.

Important Notice

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

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

This material is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this material is not to be construed as investment or financial advice, and does not constitute an offer or an invitation to invest in ESR-REIT or any investment or product of or to subscribe to any services offered by the ESR-REIT Manager, the ESR-REIT Trustee or any of the Affiliates.

About Viva Industrial Trust

Viva Industrial Trust is a Singapore-focused business park and industrial property trust listed on the Mainboard of the Singapore Exchange, which comprises Viva Industrial Real Estate Investment Trust ("VI-REIT") and Viva Industrial Business Trust ("VI-BT"). VIT focuses on building a diversified portfolio of income-producing real estates which are used predominantly for business park and other industrial purposes in Singapore and elsewhere in the Asia-Pacific region, while VI-BT is presently inactive. VIT's portfolio comprises nine properties located in Singapore, namely (i) UE BizHub EAST, (ii) Viva Business Park, (iii) Mauser Singapore, (iv) Jackson Square, (v) Jackson Design Hub, (vi) Home-Fix Building, (vii) 11 Ubi Road 1, (viii) 30 Pioneer Road, and (ix) 6 Chin Bee Avenue, with an aggregate gross floor area of 3.90 million sq ft.

For more information on VIT, please visit http://www.vivaitrust.com.

Important Notice

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This press release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of VIT. The forecast financial performance of VIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.