



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

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**PROPOSED MERGER OF VIVA INDUSTRIAL TRUST AND ESR-REIT  
BY WAY OF A TRUST SCHEME OF ARRANGEMENT SUBJECT TO WHITEWASH  
RESOLUTION**

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**1. INTRODUCTION**

- 1.1 ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), refers to the SGXNET announcement made by the ESR-REIT Manager on 18 May 2018 in relation to the above subject matter (the "**Announcement**").

All capitalised terms used herein shall, unless otherwise defined or the context otherwise requires, have the same meaning as given to them in the Announcement.

- 1.2 As stated in the Announcement, the proposed merger (the "**Proposed Merger**") of all the issued and paid-up stapled securities (the "**Stapled Securities**") of Viva Industrial Trust ("**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**") 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 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 (the "**Scheme Consideration**") held by each of them as at a books closure date to be announced by the VIT Managers 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**"), 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**").

**2. APPROVAL IN-PRINCIPLE**

- 2.1 The ESR-REIT Manager is pleased to announce that approval in-principle was received on 31 July 2018 from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of (a) up to 1,562 million Consideration Units and (b) up to 24 million new ESR-REIT Units to be issued to the ESR-REIT Manager in payment of the acquisition fee for the Proposed Merger (collectively with the Consideration Units, the "**New Units**"), on the Main Board of the SGX-ST.

- 2.2 The in-principle approval of the SGX-ST is subject to, among others, the following conditions:
- (a) compliance with the SGX-ST's listing requirements;
  - (b) approval of the independent ESR-REIT Unitholders being obtained for the Proposed Merger, the issue of the Consideration Units and the whitewash resolution for the waiver of their rights to receive a mandatory general offer from Mr. Tong Jinquan and his concert parties; and
  - (c) submission of the following:
    - (i) written confirmation by the financial advisers to the Proposed Merger that the Proposed Merger has complied with Listing Rule 210(4)(a);
    - (ii) signed declarations by each new director and new executive officer appointed by the ESR-REIT Manager, in the form set out in paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005; and
    - (iii) signed moratorium agreements from the new and existing controlling ESR-REIT Unitholders in compliance with Listing Rules 227, 228 and 229.
- 2.3 In line with the condition set out in paragraph 2.2(b) above, the approval of the Independent ESR-REIT Unitholders (IPT) will be sought for the Proposed Merger and the issue of the Consideration Units, and the approval of the Independent ESR-REIT Unitholders (Whitewash) will be sought for the Whitewash Resolution, at the forthcoming Extraordinary General Meeting (the "**EGM**") of ESR-REIT.
- 2.4 The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Proposed Merger, the New Units, ESR-REIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement.

### **CIRCULAR**

Further details on the Proposed Merger, the Scheme, the Whitewash Resolution and the related transactions in connection therewith will be set out in the circular to be issued to the ESR-REIT Unitholders shortly, together with a notice of the EGM that the ESR-REIT Manager proposes to convene for the purpose of, *inter alia*, seeking the relevant approvals of ESR-REIT Unitholders in relation to the Proposed Merger and the Whitewash Resolution.

1 August 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)

*Any queries relating to this Announcement, the Proposed 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

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

## 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<sup>1</sup>. 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 Manager's objective is to provide Unitholders with a stable and secure income stream through the successful implementation of the following strategies:

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

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

- ESR is a leading pure-play pan-Asia logistics real estate developer, owner, and operator focused on the key metropolitan areas most closely tied with consumption and global trade. Co-founded by senior management and Warburg Pincus, ESR is backed by some of the world's preeminent investors including APG, CPPIB, Goldman Sachs, PGGM, Ping An and SK Holdings. The ESR platform represents one of the largest in the Asia-Pacific region with assets under management (AUM) of US\$12 billion, and over 10 million square metres of projects owned and under development across China, Japan, Singapore, South Korea and India. The company also runs capital and fund management offices in Hong Kong and Singapore.
- 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](http://www.esr-reit.com.sg)

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<sup>1</sup> 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 units in 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 ESR Funds Management (S) Limited (“**Manager**”), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (“**Trustee**”), or any of their respective related corporations and affiliates (individually and collectively “**Affiliates**”). An investment in 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 Manager, the 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 Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the 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 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 Manager, the Trustee or any of the Affiliates.