



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

UPDATE ANNOUNCEMENT

ESR Funds Management (S) Limited, as the manager of ESR-REIT (the "**Manager**"), refers to:

- (a) its announcement of 29 January 2018 in relation to the proposed merger of all the issued and paid-up stapled securities of Viva Industrial Trust ("**VIT**") held by the stapled securityholders of VIT and the units in ESR-REIT held by the unitholders (the "**Proposed Merger**"); and
- (b) its update announcements of 23 February 2018, 23 March 2018 and 30 March 2018 on the Proposed Merger,

(collectively, the "**Previous Announcements**").

Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Previous Announcements.

Further to the announcement on 30 March 2018, the Manager would like to update unitholders that they are at an advanced stage of discussions with the VIT Managers on the Proposed Merger. In light of the progress made by both parties on the proposed transaction, the Manager and the VIT Managers have agreed to extend the period of exclusivity to the earlier of (a) the date of execution of a definitive implementation agreement between the parties in relation to the Scheme, and (b) 15 May 2018 (or such other date as the VIT Managers and the Manager may agree in writing).

The Manager will make any relevant announcement in compliance with the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code in the event that any transaction materialises.

Unitholders of ESR-REIT are advised to refrain from taking any action in respect of their units which may be prejudicial to their interests, and should exercise caution when dealing in the units of ESR-REIT as there is no certainty or assurance that any definitive agreements will be entered into or that any transaction will materialise from the current discussions. They should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited
as Manager of ESR-REIT
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-5)

Adrian Chui
Chief Executive Officer and Executive Director

30 April 2018

Any inquiries relating to this Announcement should be directed during office hours to:

Citigroup Global Markets Singapore Pte. Ltd.

Tel: +65 6657 1959

The directors of the 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 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 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 billion¹. 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:

- Pro-active asset management
- Acquisition of value-enhancing properties
- Divestment of non-core properties
- 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):

- 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, Morgan Stanley AIP, PGGM, Ping An, SK Holdings, State Street Global Advisors and Stepstone, 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

¹ 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.