



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

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

EFFECTIVE DATE OF THE SCHEME

1. INTRODUCTION

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

- (a) the circular dated 7 August 2018 (the "**Circular**") despatched to unitholders of ESR-REIT (the "**ESR-REIT Unitholders**") in relation to the proposed merger (the "**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 held by the ESR-REIT Unitholders, which 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;
- (b) the scheme document dated 7 August 2018 (the "**Scheme Document**") issued by VIT to the Stapled Securityholders in relation to the Merger and the Scheme;
- (c) the announcement dated 31 August 2018 issued by the ESR-REIT Manager in relation to the approval of the Merger by the ESR-REIT Unitholders;
- (d) the announcements dated 31 August 2018 and 13 September 2018 issued by the VIT Managers (as defined in the Scheme Document) in relation to the approval of the Scheme by the Stapled Securityholders and the court sanction of the Scheme; and
- (e) the announcement dated 29 September 2018 issued by the ESR-REIT Manager in relation to, *inter alia*, the receipt of the approval of Jurong Town Corporation as required under the Scheme Conditions (as defined in the Circular), notice of books closure date for the ESR-REIT Permitted Distributions (as defined in the Circular) and updated indicative timetable for the Scheme.

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

2. EFFECTIVE DATE OF THE SCHEME

The ESR-REIT Manager wishes to announce that the Scheme has become effective and binding in accordance with its terms on 15 October 2018 (the "**Effective Date**").

3. **UPDATED INDICATIVE TIMETABLE FOR THE SCHEME**

ESR-REIT Unitholders should note the updated indicative dates for the following events:

Last trading date of ESR-REIT Units on a "Cum Distribution" basis	:	3 October 2018
ESR-REIT Permitted Distributions ex-date	:	4 October 2018
ESR-REIT books closure date to determine entitlements to the ESR-REIT Permitted Distributions	:	8 October 2018, 5.00 p.m.
Effective Date	:	15 October 2018
Expected date for the allotment and issue of the Consideration Units	:	17 October 2018 ⁽¹⁾
Expected date for the delisting of the Stapled Securities	:	22 October 2018 ⁽¹⁾

Notes:

(1) Assuming that the Effective Date is on 15 October 2018.

The above dates marked as "expected" are indicative only and may be subject to change. Please refer to future announcement(s) by the ESR-REIT Manager for the exact dates of these events.

4. **ENTRY INTO S\$700 MILLION UNSECURED LOAN FACILITY**

As mentioned in the Circular, in connection with the Merger and the Scheme, RBC Investor Services Trust Singapore Limited, in its capacity as trustee of ESR-REIT (the "**ESR-REIT Trustee**"), has entered into a S\$700 million unsecured loan facility agreement (the "**Facility Agreement**") with, amongst others, United Overseas Bank Limited, RHB Bank Berhad, The Hongkong and Shanghai Banking Corporation Limited and Malayan Banking Berhad, Singapore Branch, as lenders (the "**Lenders**").

The unsecured loan facility consists of a S\$160 million term loan facility ("**Facility A**"), a S\$180 million term loan facility ("**Facility B**"), a S\$160 million term loan facility ("**Facility C**") and a S\$200 million revolving loan facility ("**Facility D**") (collectively, the "**Facilities**"). 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 the existing loan facilities granted to VIT and the S\$500,000,000 multicurrency medium term note programme of VIT;
- (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.

Key terms of the Facility Agreement are as follows:

Lenders	<p>United Overseas Bank Limited</p> <p>RHB Bank Berhad</p> <p>The Hongkong and Shanghai Banking Corporation Limited</p> <p>Malayan Banking Berhad, Singapore Branch</p>
Loan Commitment	<p>Term Loan Facility (Facility A): S\$160 million</p> <p>Term Loan Facility (Facility B): S\$180 million</p> <p>Term Loan Facility (Facility C): S\$160 million</p> <p>Revolving Loan Facility (Facility D): S\$200 million</p>
Final Maturity Date	<p>Term Loan (Facility A): 36 months after the first Utilisation Date in respect of a term loan facility</p> <p>Term Loan (Facility B): 48 months after the first Utilisation Date in respect of a term loan facility</p> <p>Term Loan (Facility C): 60 months after the first Utilisation Date in respect of a term loan facility</p> <p>Revolving Loan Facility (Facility D): the date falling 12 months after the first Utilisation Date in respect of Facility D</p>
Security	None
Details of the conditions that refer to the shareholding interests of the Manager's controlling shareholders or which place restrictions on any change in control of the Manager	<p>The Lenders under the Facility Agreement have the right to require the ESR-REIT Trustee (as borrower) to enter into discussions for a stipulated time with the Lenders to review the Facilities, upon the occurrence of the following:</p> <ul style="list-style-type: none"> (a) the ESR-REIT Manager resigns or is removed as a manager of ESR-REIT without the prior consent in writing of all the Lenders and a replacement manager which is acceptable to all the Lenders is not appointed in accordance with the terms of the trust deed in respect of ESR-REIT; or (b) ESR Cayman Limited ceases to hold, whether directly or indirectly, at least 50.1 per cent. of the issued share capital of the ESR-REIT Manager. <p>If the Lenders notifies the ESR-REIT Trustee that the proposal submitted by the ESR-REIT Trustee to the Lenders further to the discussions is not acceptable or that the ESR-REIT Trustee has not submitted any proposal, the Lenders may require the ESR-REIT</p>

	<p>Trustee to prepay all amounts owing under or in connection with the Facility Agreement.</p> <p>The aggregate amount of loan facilities under the Facility Agreement that may be affected in the event of breach of the conditions set out above is up to S\$700 million.¹</p>
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15 October 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 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.

¹ It should be noted that the terms and conditions of typical facility agreements may contain cross default clauses, pursuant to which a default of obligations by the ESR-REIT Trustee in the Facility Agreement may trigger an event of default in other facility agreements. The aggregate level of facilities affected in the event of a breach of conditions in the above table does not take into account facilities which may be affected due to the triggering of such cross default provisions in such other facility agreements.

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 15 October 2018 has a diversified portfolio of 56 properties located across Singapore, with a total gross floor area of approximately 13.6 million sq ft and a property value of S\$2.94 billion². 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, CITIC CLSA, CPPIB, Goldman Sachs, JD.com, PGGM, Ping An and SK Holdings. The ESR platform represents one of the largest in the Asia-Pacific region, spanning across Mainland China, Japan, Singapore, South Korea, Australia and India. The company also runs capital and fund management offices in Hong Kong and Singapore. As at 30 June 2018, the company's assets under management (AUM) reached approximately US\$13 billion, and the gross floor area (GFA) of projects owned and under development stood at over 10 million square metres.
- 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

² 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.