VIVA INDUSTRIAL TRUST

Comprising:

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST	**VIVA INDUSTRIAL BUSINESS TRUST**
(a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) managed by	(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore) managed by
Viva Industrial Trust Management Pte. Ltd.	**Viva Asset Management Pte. Ltd.**

ANNOUNCEMENT

PROPOSED ACQUISITION OF THE PROPERTY LOCATED AT 6 CHIN BEE AVENUE, SINGAPORE 619930 AND THE ENTRY INTO OF THE MASTER LEASE AGREEMENT IN RELATION TO THE PROPERTY

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1. INTRODUCTION

1.1 The Proposed Acquisition of the Property

Viva Industrial Trust Management Pte. Ltd., as manager of Viva Industrial Real Estate Investment Trust ("**VI-REIT**", and the manager of VI-REIT, the "**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 "**Trustee-Manager**", and collectively with the REIT Manager, the "**Managers**"), are pleased to announce that Perpetual (Asia) Limited, as trustee of VI-REIT (the "**REIT Trustee**") has, on 25 October 2016, entered into an option agreement (the "**Option Agreement**") with Sharikat National (Pte) Limited (the "**Vendor**") for the acquisition of the property located at 6 Chin Bee Avenue, Singapore 619930 (the "**Property**") together with the mechanical and electrical equipment therein (the "**Proposed Acquisition**") and the lease of the Property to Sharikat Logistics Pte. Ltd. (the "**Master Lessee**", which is a subsidiary of the Vendor) (the "**Master Lease**") upon completion of the Proposed Acquisition (the "**Master Lease Agreement**", together with the Proposed Acquisition, the "**Proposed Transaction**").

Under the Option Agreement, the REIT Trustee and the Vendor will be deemed to have entered into a sale and purchase agreement (the "**SPA**") on the date the option is exercised. The option may be exercised only after the requisite approvals from JTC Corporation ("**JTC**") for the Proposed Transaction have been obtained. On completion of the Proposed Acquisition (the "**Completion**"), the REIT Trustee and the Master Lessee will enter into the Master Lease Agreement pursuant to which the Property will be leased to the Master Lessee.

1.2 Information on the Property

The Property is a newly completed ramp-up logistics development that comprises five levels of high specifications logistics/warehouse facilities including two levels of integrated cold room facility, one level of ambient temperature foods storage facility, as well as a mezzanine level on each warehouse floor accommodating storage, kitchen and ancillary showrooms and offices. The Property is strategically located within Jurong Industrial Estate on the northern side of Chin Bee Avenue, off International Road and Corporation Road. It is in close proximity to both the Boon Lay and Lakeside MRT stations on the East-West Line and enjoys easy access to the Ayer Rajah Expressway (AYE), Pan Island Expressway (PIE) and West Coast Highway.

The table below sets out a summary of selected information on the Property as at the date of this announcement.

Property Type	A five-storey ramp up warehouse building with mezzanine levels, cold rooms, air-conditioned stores and ancillary office
Valuation	S$94,300,000
Gross Floor Area	Approximately 324,166 sq ft
Site Area	129,746 sq ft
Age of Building	Temporary Occupation Permit obtained on 12 April 2016
Land Tenure	Leasehold 30 years commencing on 16 October 2013 (Balance tenure: approximately 27 years)
Master Plan Zoning	Business 2

2. DETAILS OF THE PROPOSED TRANSACTION

2.1 Purchase Consideration and Valuation

The purchase consideration for the Property is S$87.3 million (the "**Purchase Consideration**") and was negotiated on a willing-buyer willing-seller basis, taking into account the independent valuation of the Property by Suntec Real Estate Consultants Pte Ltd. In addition to the Purchase Consideration, the REIT Trustee is required to pay an upfront land premium for the balance of the 30-year JTC lease term.

Suntec Real Estate Consultants Pte Ltd has been appointed as the independent property valuer (the "**Independent Valuer**") to value the Property. The open market value of the Property as at 12 October 2016 is S$94.3 million as stated in the Independent Valuer's valuation report. The methods used by the Independent Valuer were the income capitalisation method and the discounted cash flow method.

2.2 Estimated Total Acquisition Cost

The estimated total cost of the Proposed Acquisition (the "**Total Acquisition Cost**") is approximately S$96.8 million, comprising:

2.2.1 the Purchase Consideration of S$87.3 million for the Property;

2.2.2 the estimated upfront land premium of S$5.7 million payable to JTC for the balance 30-year JTC lease term;

2.2.3 the stamp duty payable of S$2.8 million for the Property;

2.2.4 the acquisition fee payable to the REIT Manager for the Proposed Acquisition in accordance with the trust deed dated 23 August 2013 constituting VI-REIT, as amended (the "**VI-REIT Trust Deed**"), of approximately S$0.9 million (being 1.0% of the Purchase Consideration for the Property); and

2.2.5 the estimated professional and other transaction fees and expenses incurred or to be incurred by VI-REIT in connection with the Proposed Acquisition (inclusive of due diligence costs and cost incurred in relation to the valuation report) of approximately S$0.1 million.

2.3 Consideration Stapled Securities

Part of the Purchase Consideration will be satisfied by way of issuance of Stapled Securities (the "**Consideration Stapled Securities**") to the Vendor on the date of Completion. Based on the Purchase Consideration of S$87.3 million, S$23.0 million will be satisfied by way of issuance of Consideration Stapled Securities to the Vendor.

The issue price of the Consideration Stapled Securities will be determined based on the volume weighted average price for a Stapled Security for all trades done on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the period of 10 business days immediately preceding the date of Completion.

Based on an illustrative issue price of S$0.74, the total number of Consideration Stapled Securities is 31,081,081, which represents approximately 3.6% of the total number of Stapled Securities in issue as at the date of this announcement.

The Consideration Stapled Securities will not be entitled to distributions by VIT for the period immediately preceding the date of issue of the Consideration Stapled Securities, and will only be entitled to distributions by VIT from the date of their issue to the end of the quarterly financial period in which the Consideration Stapled Securities are issued, as well as all distributions thereafter.

Save as set out above, the Consideration Stapled Securities will, upon issue, rank *pari passu* in all respects with the Stapled Securities in issue on the day immediately preceding the date of issue of the Consideration Stapled Securities.

2.4 Certain Terms and Conditions of the Option Agreement

2.4.1 Conditions Precedent

The option under the Option Agreement may only be exercised upon the Vendor obtaining the requisite approvals from JTC for the sale of the Property and the lease of the Property on Completion by the REIT Trustee to the Master Lessee.

2.4.2 Damage to Property

If prior to the exercise of the option, the Property and/or the mechanical and electrical equipment therein is damaged, the Vendor is obliged to repair such damage at its own cost and expense to the satisfaction of the REIT Trustee, and if the damage is material, the REIT Trustee is entitled to rescind the Option Agreement.

2.5 Certain Terms and Conditions of the SPA

2.5.1 Conditions Precedent

The principal terms of the SPA include, among others, the following conditions precedent:

(i) the REIT Trustee obtaining funds to finance its acquisition of the Property;

(ii) (in the event that the REIT Manager launches any equity fund raising exercises involving the issuance of new stapled securities in VIT ("**Stapled Securities**")) no stop order or similar order having been issued by the Monetary Authority of Singapore or any court or other judicial, governmental or regulatory authority in relation to such proposed equity

fund raising exercise;

(iii) (in the event that the REIT Manager launches any equity fund raising exercises involving the issuance of new Stapled Securities) the in-principle approval of SGX-ST for the listing and quotation of the new Stapled Securities not having been revoked or withdrawn; and

(iv) in the event the government or other competent authority acquires or gives notice of acquisition of more than 3% of the land area of the Property, the REIT Trustee shall be entitled to rescind the SPA and the refund of the option fee.

2.5.2 Representations and Warranties

The SPA also contains certain limited representations and warranties by the Vendor such as those relating to compliance with laws, litigation, title, property matters (such as encroachment and structural defects), underlying tenancies, licences and service agreements, environmental laws and property tax. The Vendor's liability for breach of any representations and warranties is subject to certain limitations.

2.6 Certain Terms and Conditions of the Master Lease Agreement

Pursuant to the Master Lease Agreement, the Property will be leased to the Master Lessee for a term of seven years from Completion with a rental escalation of 1.5% per annum commencing from the third year and for every subsequent year of the Master Lease. The master lease rental for the first and second year of the Master Lease is approximately S$7.44 million per annum on a triple net basis.

The Master Lessee will pay and maintain with the REIT Trustee, for the duration of each year of the term of the Master Lease, a security deposit which may, in lieu of cash, be by way of a bank guarantee. The amount of the security deposit shall be equivalent to 12 months of the monthly lease rental in respect of each year of the term of the Master Lease.

The Master Lessee is entitled to renew the Master Lease Agreement for a further term of 3 years commencing from the expiry of the initial 7-year term, subject to the consent of JTC and at the prevailing market rent and on terms and conditions as may be agreed between the parties.

At the end of the Master Lease, the Master Lessee will assign to the REIT Trustee the licence granted to Sun Electric Energy Assets Pte. Ltd. of certain roof top premises provided that such licence is subsisting at that time.

2.7 Corporate Guarantee

On Completion, the Vendor will furnish to the REIT Trustee a corporate guarantee from the Vendor guaranteeing the Master Lessee's payment of the rent and observance and performance of the covenants, terms and conditions under the Master Lease Agreement.

3. RATIONALE FOR THE PROPOSED ACQUISITION

3.1 The Proposed Acquisition is in line with VI-REIT's Investment Strategy

The REIT Manager aims to achieve distribution growth and enhance the value of VI-REIT's property portfolio by further diversifying the portfolio over time through, *inter alia*, selectively acquiring additional properties that meet the REIT Manager's investment criteria.

The Proposed Acquisition is in line with the REIT Manager's growth strategy of investing in a diversified portfolio of income-producing real estate that is predominantly used for business parks and other industrial purposes in Singapore and elsewhere in the Asia Pacific region, that delivers stable distribution and enhances returns to stapled securityholders of VIT ("**Stapled Securityholders**").

3.2 Unique Acquisition Opportunity

3.2.1 Strategic Location and Good Connectivity

The Property is strategically located within Jurong Industrial Estate on the northern side of Chin Bee Avenue, off International Road and Corporation Road. It is in close proximity to both the Boon Lay and Lakeside MRT stations on the East-West Line and enjoys easy access to the Ayer Rajah Expressway (AYE), Pan Island Expressway (PIE) and West Coast Highway.

3.2.2 Reputable Master Lessee

The Master Lessee is an ISO certified 3PL and warehouse space solution provider company with its core businesses including logistics and warehousing, inventory management, project cargoes and cold storage warehousing. Across its properties, the Master Lessee has 15,000 pallet positions room temperature logistics warehouses and 11,000 pallet positions chilled (meaning a temperature range of 2 to 5 degree Celsius) and frozen (meaning a temperature of minus 20 degree Celsius) storage facilities.

3.2.3 Resilient and Growing Sector

Singapore's retail food sector is one of the most advanced in the world, with food spending expected to grow to nearly S$9.0 billion by 2020[1]. With one of the world's highest per capita income of about S$80,270 and more than 72.0% of the population having an annual income of over S$50,000, Singaporeans have the purchasing capacity to spend even more on higher quality food products and services.

Another trend supporting the growing demand in food storage and distribution facilities is the increasing prevalence of the food franchising sector. According to research by the International Trade Administration, the franchise sector in

1 Source: "2016 Cold Chain Top Markets Report", 2016 Top Markets Report, International Trade Administration, dated May 2016. The International Trade Administration has not provided its consent to the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the relevant report published by the International Trade Administration is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Managers nor any other party have conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

Singapore is well-developed and growing, with more than 30,000 franchises across the nation. E-commerce and direct to consumer deliveries of temperature-sensitive products will find excellent opportunities in this market due to relatively lower overheads and rental costs and the ability to cater to consumers that do not wish to travel to a retail store. This may in turn represent a great opportunity for cold chain service providers, as the growth of online shopping for food and groceries should create additional demand for refrigerated deliveries and warehouses near major population centres.

With well-developed transport infrastructure and logistics facilities, Singapore is well-positioned to capitalise on cold chain operators who are looking to expand their facilities to establish a cross-docking location to facilitate the movement of their products more efficiently across the ASEAN region.

3.3 Positive Portfolio Impact

3.3.1 Portfolio and Income Diversification and Enlarged Tenant Base

The Proposed Acquisition will diversify the current portfolio by further enhancing the portfolio and income diversification of VI-REIT arising from an enlarged portfolio and tenant base, and reduce its reliance on the income stream from any single property.

3.3.2 Increased Portfolio Size and Weighted Average Lease Expiry

VI-REIT will benefit from the increased portfolio size which creates a stronger platform for further acquisition growth, primarily due to better access to both the capital markets and the debt markets. Following the completion of the Proposed Acquisition solely, VI-REIT will increase its investment property base by 7.9% to approximately S$1.28 billion.

In addition, the weighted average lease expiry (by rental income) is expected to increase from 3.3 years[1] to 3.6 years. This will boost the long-term cash flow of VI-REIT and provide good cash flow visibility.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Method of Financing

The Managers currently intend to finance the Total Acquisition Cost with:

(i) the issuance of the Consideration Stapled Securities to the Vendor;

(ii) the net proceeds from a private placement of 60,811,000 new Stapled Securities which has been separately announced on 26 October 2016 (the "**Private Placement**"); and

(iii) debt financing.

1 As at 30 September 2016.

4.2 Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisition on the distribution per Stapled Security ("**DPS**") and the net asset value ("**NAV**") per Stapled Security presented below are strictly for illustrative purposes only and were prepared based on the audited consolidated financial statements of VIT for the financial year ended 31 December 2015 ("**FY2015**"), the unaudited consolidated financial statements of VIT for the nine-month period ended 30 September 2016, and the following key assumptions:

(i) 23.8% of the Total Acquisition Cost will be funded by the issuance of the Consideration Stapled Securities;

(ii) 45.0% of the Total Acquisition Cost will be funded by the net proceeds of the Private Placement; and

(iii) the remaining 31.2% of the Total Acquisition Cost will be funded by debt financing.

4.2.1 Pro Forma DPS

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisition on the DPS for FY2015, as if the Proposed Acquisition and the Private Placement has been completed on 1 January 2015, and VIT held and operated the Property throughout the period, are as follows:

	Pro Forma Effects of the Proposed Acquisition	
	Before the Proposed Acquisition and the Private Placement	**After the Proposed Acquisition and the Private Placement**
Distributable Income[(1)] (S$'000)	47,478	53,888[(2)]
No. of Stapled Securities ('000)	678,203[(3)]	770,533[(4)(5)]
DPS (cents)	7.000	6.994

Notes:

(1) The distributable income of VIT represents the aggregate of distributions by VI-REIT and VI-BT. The distribution of VIT for FY2015 is contributed solely by VI-REIT as VI-BT was dormant during FY2015. Accordingly, only the income available for distribution of VI-REIT has been presented.

(2) Includes (i) pro forma gross rental revenue from the Property and (ii) deduction of borrowing costs and property expenses.

(3) Applicable number of Stapled Securities for the calculation of DPS for FY2015.

(4) Based on the applicable number of Stapled Securities for the calculation of DPS in Note (3) above and the issuance of 31,081,081 Consideration Stapled Securities and 60,811,000 new Stapled Securities assumed to be issued at the issue price of S$0.74 pursuant to the Private Placement.

(5) Based on the applicable number of Stapled Securities for the calculation of DPS in Note (4) above and including the approximate number of new Stapled Securities assumed to be issued at the issue price of S$0.74 as payment of the REIT Manager's fees and the Property Manager's fees attributable to the Property.

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisition on the annualised DPS for the nine-month period ended 30 September 2016, as if the Proposed Acquisition and the Private Placement has been completed on 1 January 2016, and VIT held and operated the Property throughout the period, are as follows:

	Pro Forma Effects of the Proposed Acquisition	
	Before the Proposed Acquisition and the Private Placement	**After the Proposed Acquisition and the Private Placement**
Distributable Income[(1)] (S$'000)	45,003	49,811[(2)]
No. of Stapled Securities ('000)	865,658[(3)]	957,879[(4)(5)]
DPS (cents)	5.198	5.200
Annualised DPS (cents)	6.943	6.946

Notes:

(1) The distributable income of VIT represents the aggregate of distributions by VI-REIT and VI-BT. The distribution of VIT for the nine-month period ended 30 September 2016 is contributed solely by VI-REIT as VI-BT was dormant during the nine-month period ended 30 September 2016. Accordingly, only the income available for distribution of VI-REIT has been presented.

(2) Includes (i) pro forma gross rental revenue from the Property and (ii) deduction of borrowing costs and property expenses.

(3) Applicable number of Stapled Securities for the calculation of DPS for the nine-month period ended 30 September 2016.

(4) Based on the applicable number of Stapled Securities for the calculation of DPS in Note (3) above and the issuance of 31,081,081 Consideration Stapled Securities and 60,811,000 new Stapled Securities assumed to be issued at the issue price of S$0.74 pursuant to the Private Placement.

(5) Based on the applicable number of Stapled Securities for the calculation of DPS in Note (4) above and including the approximate number of new Stapled Securities assumed to be issued at the issue price of S$0.74 as payment of the REIT Manager's fees and the Property Manager's fees attributable to the Property.

4.2.2 Pro Forma NAV per Stapled Security

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisition on the NAV per Stapled Security as at 31 December 2015, as if the Proposed Acquisition and the Private Placement had been completed on 31 December 2015, are as follows:

	Pro Forma Effects of the Proposed Acquisition	
	Before the Proposed Acquisition and the Private Placement	**After the Proposed Acquisition and the Private Placement**
NAV (S$'000)	701,620	765,667
No. of Stapled Securities ('000)	863,119[(1)]	955,011[(2)]
NAV per Stapled Security (cents)	81.29	80.17

Notes:

(1) Number of issued and issuable Stapled Securities as at 31 December 2015.

(2) Based on the number of issued and issuable Stapled Securities as at 31 December 2015 in Note (1) above and the issuance of 31,081,081 Consideration Stapled Securities and 60,811,000 new Stapled Securities assumed to be issued at the issue price of S$0.74 pursuant to the Private Placement.

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisition on the NAV per Stapled Security as at 30 September 2016, as if the Proposed Acquisition and the Private Placement had been completed on 30 September 2016, are as follows:

	Pro Forma Effects of the Proposed Acquisition	
	Before the Proposed Acquisition and the Private Placement	**After the Proposed Acquisition and the Private Placement**
NAV (S$'000)	699,364	763,411
No. of Stapled Securities ('000)	870,594[(1)]	962,486[(2)]
NAV per Stapled Security (cents)	80.33	79.32

Notes:

(1) Number of issued and issuable Stapled Securities as at 30 September 2016.

(2) Based on the number of issued and issuable Stapled Securities in Note (1) above and the issuance of 31,081,081 Consideration Stapled Securities and 60,811,000 new Stapled Securities assumed to be issued at the issue price of S$0.74 pursuant to the Private Placement.

4.2.3 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisition on the capitalisation of VIT as at 31 December 2015, as if the Proposed Acquisition and the Private Placement had been completed on 31 December 2015, are as follows:

	Pro Forma Effects of the Proposed Acquisition	
	Before the Proposed Acquisition and the Private Placement	**After the Proposed Acquisition and the Private Placement**
Gross debt (S$'000)	463	494
Stapled Securityholders' funds (S$'000)	702	766
Deposited Property[(1)] (S$'000)	1,198	1,292
Aggregate Leverage	38.6%	38.2%

Note:

(1) Deposited Property means the value of VI-REIT's total assets based on the latest valuation.

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisition on the capitalisation of VIT as at 30 September 2016, as if the Proposed Acquisition and the Private Placement had been completed on 30 September 2016, are as follows:

	Pro Forma Effects of the Proposed Acquisition	
	Before the Proposed Acquisition and the Private Placement	**After the Proposed Acquisition and the Private Placement**
Gross debt (S$'000)	488	519
Stapled Securityholders' funds (S$'000)	699	763
Deposited Property[(1)] (S$'000)	1,225	1,320
Aggregate Leverage	39.8%	39.3%

Note:

(1) Deposited Property means the value of VI-REIT's total assets based on the latest valuation.

5. INTERESTS OF DIRECTORS AND CONTROLLING STAPLED SECURITYHOLDERS

As at the date of this announcement, certain directors of the Managers (the "**Directors**") collectively hold an aggregate direct and indirect interest in 111,685,454 Stapled Securities.

As at the date of this announcement, the controlling Stapled Securityholders collectively hold an aggregate direct and indirect interest in 477,852,872 Stapled Securities. Save as disclosed above and based on the information available to the Managers as at the date of this announcement, none of the Directors or the controlling Stapled Securityholders have an interest, direct or indirect, in the Proposed Transaction.

6. OTHER INFORMATION

6.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Managers in connection with the Proposed Transaction or any other transactions contemplated in relation to the Proposed Transaction.

6.2 Relative Figure computed on the Bases set out in Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by VIT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on. The relative figures for the Proposed Acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual, which have been based on the unaudited consolidated financial statements of VIT for the nine-month period ended 30 September 2016, are set out below.

Listing Rule	Criteria	VIT	Proposed Acquisition	Relative Percentage
1006(a)	Net asset value of assets to be disposed of, compared with VIT's net asset value	This is not applicable to an acquisition of assets.		
1006(b)	Profits[(1)] (S$ million)	60.1[(2)]	5.4[(3)]	9.0%
1006(c)	Aggregate value of consideration given, compared with VIT's market capitalisation (S$ million)	692.5	96.8	14.0%
1006(d)	Number of Stapled Securities issued as consideration for an acquisition, compared with the number of VIT's issued Stapled Securities ('million)	868.1	31.1[(4)]	3.6%
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of VIT's proved and probable reserves	This is not applicable to VIT as Rule 1006(e) is only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.		

Notes:

(1) In the case of a real estate investment trust, the sum of net property income ("**NPI**") and rental support is a close proxy to the net profits attributable to its assets.

(2) Based on VIT's actual NPI and rental support from its current portfolio of properties for the nine-month period ended 30 September 2016.

(3) Based on the estimated NPI from the Property for the nine-month period ended 30 September 2016.

(4) Based on the Purchase Consideration of S$87.3 million, S$23.0 million will be satisfied by way of issuance of Consideration Stapled Securities to the Vendor. The number of Consideration Stapled Securities to be issued is computed based on the illustrative issue price of S$0.74.

7. DOCUMENTS FOR INSPECTION

A copy of the following documents is available for inspection during normal business hours at the registered office of the Managers at 750 Chai Chee Road, #04-03 Viva Business Park, Singapore 469000, for a period of three months commencing from the date of this announcement:

(i) the Option Agreement (which contains the forms of the SPA, the Master Lease Agreement and the Corporate Guarantee); and

(ii) the valuation report issued by the Independent Valuer.

By Order of the Board
Wilson Ang Poh Seong
Chief Executive Officer and Executive Director

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

Viva Asset Management Pte. Ltd.
(Company Registration No. 201316690M)
As trustee-manager of Viva Industrial Business Trust

26 October 2016

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any Stapled Securities of Viva Industrial Trust in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Stapled Securities and the income derived from them may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the REIT Manager and/or the Trustee-Manager (collectively, the "**Managers**"), Perpetual (Asia) Limited, as trustee of VI-REIT or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement 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.