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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

SETTLEMENT AGREEMENT WITH JACKSON INTERNATIONAL PRIVATE LIMITED AND MR TAN PHONG GUAN

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*Capitalised terms used herein, unless otherwise defined, shall have the same meaning as defined in the announcement dated 23 April 2017 titled "Receipt of Liquidation Notice from Jackson International Private Limited" (the "**Previous Announcement**").*

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**") refer to the Previous Announcement and wish to announce that Perpetual (Asia) Limited (in its capacity as trustee of VI-REIT) (the "**REIT Trustee**") has, on 19 May 2017, entered into a settlement agreement with Jackson International Private Limited ("**JIPL**") and Mr Tan Phong Guan (director and shareholder of JIPL) (the "**Settlement Agreement**").

A summary of the key terms of the Settlement Agreement is as follows:

(i) the appointment of JIPL as the integrated facilities manager of Jackson Square pursuant to the integrated facilities management agreement dated 21 November 2014 (the "**IFMA**") shall be terminated, and all parties to the IFMA shall be fully released and discharged from their respective obligations under the IFMA;

(ii) the REIT Trustee shall receive an aggregate cash payment of S$1,000,000 (the "**Compromise Amount**");

(iii) the REIT Trustee shall not be obstructed from calling upon the Rental Support Bank Guarantee of S$3,867,000, and after the full payment of S$3,867,000 under the Rental Support Bank Guarantee has been received by the REIT Trustee, JIPL shall be fully released and discharged from all its obligations under the Rental Support Arrangement;

(iv) the REIT Trustee shall receive additional security deposits of approximately S$1,732,000 in relation to the existing leases at Jackson Square entered into by certain subsidiaries of JIPL; and

(v) the parties to the Settlement Agreement agreed to a full and final settlement of any and all existing claims arising from the termination of the IFMA and the Rental Support Arrangement.

Based on the existing committed leases at Jackson Square, assuming none of the tenants (including the aforesaid subsidiaries of JIPL) default on their leases, coupled with the Rental Support Bank Guarantee of S$3,867,000 and the Compromise Amount of S$1,000,000, and further assuming that the property operating expenses in respect of Jackson Square do not increase significantly above S$2,000,000 per annum, the Managers do not expect the termination of the IFMA and the Rental Support Arrangement to have a material impact on the net asset value per stapled security or the distribution per stapled security of VIT for the financial year ending 31 December 2017.

However, the Rental Support Bank Guarantee and the Compromise Amount would not be sufficient to cover the Rental Support Amount for the remaining duration of the Rental Support Period ending on 20 November 2019 if the Managers are unable to renew the existing leases and secure sufficient new leases at comparable rental rates during the remaining duration of the Rental Support Period.

Notwithstanding the aforesaid, the Managers believe that the entry into the Settlement Agreement is in the interest of VIT as it provides VIT with the Compromise Amount, and increases the aggregate amount of security deposits from certain subsidiaries of JIPL in respect of their existing leases at Jackson Square.

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

21 May 2017

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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.

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