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**MEDIA RELEASE**

# VIVA INDUSTRIAL TRUST STRENGTHENS PORTFOLIO FURTHER WITH ADDITION OF TWO LIGHT INDUSTRIAL ASSETS

- ✓ Viva Industrial Trust announces proposed acquisition of two yield-accretive light industrial assets for S$122.7 million
- ✓ Assets to be leased back to vendors for 10 years**,** raising portfolio occupancy and extending portfolio weighted average lease expiry
- ✓ New additions further diversify asset and tenant base and reduce reliance on top 10 tenants

**Singapore, 29 July 2015** – Viva Industrial Trust ("VIT"), a Singapore-focused business park and industrial property trust, today announced that it has entered into separate agreements with two vendors to acquire two properties located at 19 Tai Seng Avenue (the "Tai Seng Property") and 11 Ubi Road 1 (the "Ubi Property"). The aggregate purchase consideration for both properties, amounting to approximately S$122.7 million, will be funded by a combination of debt and equity. Pending approvals from the relevant authorities, the acquisitions are expected to be completed by end-3Q 2015.

The Tai Seng Property, which is classified as a light industrial building, is a 7-storey building with gross floor area ("GFA") of 120,556 sq ft. Located within Paya Lebar iPark, an estate which supports leading enterprises involved in lifestyle and knowledge-driven industries, the Tai Seng Property is within walking distance to Tai Seng MRT Station and offers easy access to the Pan-Island Expressway (PIE) and Kallang-Paya Lebar Expressway (KPE). The building has remaining land tenure of approximately 22 years with an entitlement to renew for a further term of 30 years and enjoyed occupancy of 100% as at 30 June 2015. The purchase consideration for this property is S$42.0 million, excluding an estimated upfront land premium for the balance of the initial 30-year lease term of S$4.8 million (subject to final confirmation by JTC Corporation).

Conveniently located within walking distance to Macpherson MRT Station, which serves the existing Circle Line and the upcoming Downtown Line, and easily accessible to KPE and PIE, the Ubi Property comprises a 7-storey block and a 2-storey block connected by an open courtyard passageway with a basement carpark and has a total GFA of approximately 253,058 sq ft. The light industrial complex has remaining land tenure of approximately 10 years with an entitlement to renew for a further term of 30 years and enjoyed occupancy of 100% as at 30 June 2015. The purchase consideration for this property is S$80.7 million, excluding an estimated upfront land premium for the balance of the initial 30-year lease term of S$5.3 million (subject to final confirmation by HDB).

Upon completion of the acquisitions, the Tai Seng Property will be leased back to its vendor for a term of 10 years under a master lease while the Ubi Property will be partially leased back to its vendor for a term of 10 years. Both lease agreements carry an annual rental escalation of 1.5% from the beginning of the third year onwards.

The addition of the two new assets will further diversify the asset base and raise the value of VIT's portfolio by 14.1% to approximately S$1.1 billion. Portfolio GFA will increase by 12.8% to approximately 3.3 million sq ft and total leasable area will increase by 15.9% to approximately 2.7 million sq ft. Weighted average portfolio occupancy will grow from 80.0% to 83.4% and VIT's reliance on its top 10 tenants will be reduced from 49.6% to 48.3%. Furthermore, the weighted average lease expiry (by rental income) is expected to increase from 3.3 years to 4.2 years, providing good cash flow visibility.

Commenting on the latest proposed acquisitions, Mr Wilson Ang, CEO of Viva Industrial Trust Management Pte Ltd, the manager of Viva Industrial Real Estate Investment Trust, said, "We are pleased to have the proposed addition of these two quality assets to our portfolio. The positive impact of these acquisitions on occupancy, WALE and tenant mix is evident immediately, and is in line with our long-term objective of creating sustainable growth and value."

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**ABOUT VIVA INDUSTRIAL TRUST**

Viva Industrial Trust ("VIT") is a Singapore-focused business park and industrial property trust listed on the Mainboard of the Singapore Exchange, which comprises Viva Industrial Real Estate Investment Trust ("VI-REIT") and Viva Industrial Business Trust ("VI-BT"). VIT focuses on building a diversified portfolio of income-producing real estate which is used predominantly for business park and other industrial purposes in Singapore and elsewhere in the Asia-Pacific region, while VI-BT is presently dormant. VIT's portfolio comprises five properties located in Singapore, namely (i) UE BizHub EAST, (ii) Technopark@Chai Chee, (iii) Mauser Singapore, (iv) Jackson Square and (v) Jackson Design Hub with an aggregate gross floor area of 2.9 million sq ft.

For more information on VIT, please visit http://www.vivaitrust.com.

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