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VIVA INDUSTRIAL TRUST

Comprising:

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) managed by

Viva Industrial Trust Management Pte. Ltd.

VIVA INDUSTRIAL BUSINESS TRUST

(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore) managed by

Viva Asset Management Pte. Ltd.

ANNOUNCEMENT

COMPLETION OF THE PROPOSED ACQUISITION, ISSUANCE OF CONSIDERATION STAPLED SECURITIES AND UPDATE ON USE OF PROCEEDS

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*Unless otherwise defined, all terms and references used herein shall bear the same meanings as ascribed to them in the announcement dated 26 October 2016 titled "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" (the "**Announcement**").*

1. Completion of the Proposed Acquisition

Further to the Announcement in relation to the proposed 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**"), the Managers are pleased to announce that the Proposed Acquisition has been completed today.

In connection with the completion of the Proposed Acquisition (the "**Completion**"), VI-REIT has today entered into the Master Lease Agreement with Sharikat Logistics Pte. Ltd. (the "**Master Lessee**"). Pursuant to the Master Lease Agreement, the Property is leased to the Master Lessee for a term of seven years commencing from today, with rental escalations of 1.5% per annum commencing from the third year and for every subsequent year of the Master Lease. The initial rent for the first and second year of the Master Lease is approximately S$7.44 million per annum on a triple net basis.

2. Method of Funding

The purchase consideration for the Property is S$87.3 million (the "**Purchase Consideration**"). Approximately S$23.0 million of the Purchase Consideration is satisfied by way of issuance of new Stapled Securities (the "**Consideration Stapled Securities**"). The remaining balance of the Purchase Consideration is funded by a combination of proceeds drawn down from VIT's term loan and revolving credit facilities, and the remaining net proceeds raised from a private placement of 60,811,000 new Stapled Securities which has been separately announced on 26 October 2016 (the "**Private Placement**").

With the completion of the Private Placement and the Proposed Acquisition, VIT's aggregate leverage on a *pro forma* basis (based on the unaudited financial statements of VIT for the financial quarter ended 30 September 2016) would decrease from 39.8% to 39.3%.

3. Issuance of the Consideration Stapled Securities

In connection with the Completion, the Managers wish to announce that 30,483,700 new Stapled Securities have been issued today at an issue price of S$0.7545[1] per new Stapled Security to Sharikat National (Pte) Limited (the "**Vendor**"), as partial consideration for the Proposed Acquisition.

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1 The issue price has been 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.

With the issuance of the Consideration Stapled Securities, the total number of Stapled Securities in issue is 961,889,079, of which the Vendor holds 30,483,700 Stapled Securities (representing approximately 3.17% of the total number of Stapled Securities in issue).

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.

The Consideration Stapled Securities are expected to be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 17 January 2017.

The Consideration Stapled Securities will be listed and quoted under a temporary stock counter separate from the existing VIT stock counter. Such temporary stock counter will be maintained for the period commencing from the date of issue of the Consideration Stapled Securities to the last day of "cum-distribution" trading for the Consideration Stapled Securities, in respect of the distribution period from 16 January 2017 to 31 March 2017 (or such other period as the Managers may determine). After the last day of "cum-distribution" trading, both the Consideration Stapled Securities and the existing Stapled Securities will be aggregated and traded under the existing VIT stock counter on the Main Board of the SGX-ST.

4. Update on Use of Proceeds from the Private Placement

Further to the announcement dated 17 November 2016 titled "Use of Proceeds" and the announcements dated 28 November 2016 and 11 January 2017 titled "Update on Use of Proceeds" (collectively, the "**Use of Proceeds Announcements**"), the Managers wish to announce that the gross proceeds of approximately S$45.0 million raised from the Private Placement have been fully utilised in the following manner:

(i) approximately S$16.0 million (which is equivalent to 35.6% of the gross proceeds of the Private Placement) to partially repay VIT's outstanding revolving credit facility, which has been subsequently drawn down again to partially fund the Proposed Acquisition (See the Use of Proceeds Announcement dated 17 November 2016 for further details);

(ii) approximately S$12.0 million (which is equivalent to 26.7% of the gross proceeds of the Private Placement) to partially repay VIT's outstanding revolving credit facility, which has been subsequently drawn down again to partially fund the Proposed Acquisition (See the Use of Proceeds Announcement dated 28 November 2016 for further details);

(iii) approximately S$15.5 million (which is equivalent to 34.4% of the gross proceeds of the Private Placement) to partially fund the Proposed Acquisition, including the sum of approximately S$8.6 million which has been utilised to pay (a) JTC Corporation for the upfront land premium of approximately S$6.0 million (inclusive of goods and services tax) for the balance of the 30-year lease term of the Property; and (b) stamp duty of approximately S$2.6 million (See the Use of Proceeds Announcement dated 11 January 2017 for further details); and

(iv) approximately S$1.5 million (which is equivalent to 3.3% of the gross proceeds of the Private Placement) to pay for the estimated fees and expenses, including professional fees and expenses, incurred by VIT in connection with the Private Placement.

Such use is in accordance with the intended use and is materially in accordance with the allocated percentage of the proceeds of the Private Placement as originally stated and further updated by the Managers in the Use of Proceeds Announcements.

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

16 January 2017

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 VIT 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 Managers, the REIT Trustee 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.