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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

LAUNCH OF PLACEMENT OF NEW STAPLED SECURITIES IN VIVA INDUSTRIAL TRUST TO RAISE GROSS PROCEEDS OF APPROXIMATELY S$45.0 MILLION AND LODGEMENT OF OFFER INFORMATION STATEMENT

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1. INTRODUCTION

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**"), wish to announce that the Managers propose to issue 60,811,000 new stapled securities ("**New Stapled Securities**") in VIT pursuant to a private placement of New Stapled Securities (the "**Private Placement**") at an issue price of S$0.74 per New Stapled Security (the "**Issue Price**") to raise gross proceeds of approximately S$45.0 million.

2. DETAILS OF THE PRIVATE PLACEMENT

The Managers have today entered into an underwriting and placement agreement (the "**Underwriting and Placement Agreement**") with Oversea-Chinese Banking Corporation Limited, Religare Capital Markets (Singapore) Pte. Limited and RHB Securities Singapore Pte. Ltd. (collectively, the "**Joint Underwriters and Placement Agents**") in relation to the Private Placement pursuant to which the Joint Underwriters and Placement Agents have agreed, subject to the terms and conditions of the Underwriting and Placement Agreement, to procure subscriptions for or place out, as applicable, and failing which, to subscribe and pay for, the New Stapled Securities at the Issue Price.

The Issue Price of S$0.74 per New Stapled Security represents a discount of:

(i) 7.2% to the volume weighted average price ("**VWAP**") of S$0.7971 per stapled security in VIT ("**Stapled Security**") of trades in the Stapled Securities done on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the full Market Day[1] on 25 October 2016; and

(ii) (for illustrative purposes only) 4.1% to the adjusted VWAP[2] ("**Adjusted VWAP**") of S$0.7717 per Stapled Security.

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1 "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

2 The Adjusted VWAP is computed based on the VWAP of trades in the Stapled Securities done on the SGX-ST for the full Market Day on 25 October 2016 and subtracting 2.538 Singapore cents (which comprises (a) the mid-point of the range of the Advanced Distribution (as defined herein) being 0.728 Singapore cents and (b) the quarterly distribution of 1.810 Singapore cents per Stapled Security for the period from 1 July 2016 to 30 September 2016). The Advanced Distribution stated herein is only an estimate based on information currently available to the Managers and the Managers' estimate of VIT's revenue and expenses, and the actual Advanced Distribution may differ and will be announced at a later date.

The Private Placement shall be subject to certain conditions precedent more particularly set out in the Underwriting and Placement Agreement, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Stapled Securities on the Main Board of the SGX-ST.

Subscribers of the New Stapled Securities under the Private Placement may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Issue Price (excluding any applicable goods and services tax or value added tax)), any stamp duty and other similar charges in accordance with the laws and practices of the country of subscription, in addition to the Issue Price.

3. USE OF PROCEEDS

Subject to relevant laws and regulations, the Managers intend to use the gross proceeds of approximately S$45.0 million from the Private Placement in the following manner:

(i) approximately S$43.5 million (which is equivalent to 96.7% of the gross proceeds of the Private Placement) to partially fund the acquisition (the "**Proposed Acquisition**") of the property located at 6 Chin Bee Avenue, Singapore 619930 (the "**Property**") and the associated costs; and

(ii) 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 or to be incurred by VIT in connection with the Private Placement,

with the balance of the gross proceeds of the Private Placement, if any, to be used for general corporate and/or working capital purposes.

Notwithstanding their current intention, the Managers may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at their absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

Pending the deployment of the net proceeds from the Private Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Managers may, in their absolute discretion, deem fit.

The Managers will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Managers will announce the reasons for such deviation.

4. THE PROPOSED ACQUISITION

The Managers intend to use part of the proceeds of the Private Placement to finance the Proposed Acquisition of the Property and the mechanical and electrical equipment therein. The Managers believe that the acquisition of Proposed Acquisition will enhance distributable income to the Stapled Securityholders.

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 showroom 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, Pan Island Expressway and West Coast Highway.

The estimated total cost of the Proposed Acquisition (the "**Total Acquisition Cost**"), including the purchase consideration of S$87.3 million, is approximately S$96.8 million.

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 of the Proposed Acquisition. Based on the estimated Total Acquisition Cost of approximately S$96.8 million, S$23.0 million will be satisfied by way of issuance of the Consideration Stapled Securities to the vendor at an issue price equal to the volume weighted average price for the period of 10 Business Days immediately preceding the date of issuance of the Consideration Stapled Securities.

Based on an illustrative issue price of S$0.74 per Stapled Security, 31,081,081 Consideration Stapled Securities will be issued.

(See the announcement dated 26 October 2016 issued by the Managers 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" for further information on the Proposed Acquisition.)

5. RATIONALE FOR THE PRIVATE PLACEMENT

The Managers believe that the Private Placement will have the following benefits for stapled securityholders of VIT ("**Stapled Securityholders**"):

5.1 Financing the Proposed Acquisition to grow VIT's existing portfolio

Part of the proceeds from the Private Placement would be used to finance the Proposed Acquisition.

On completion of the Proposed Acquisition, Perpetual (Asia) Limited, as trustee of VI-REIT, will enter into a master lease agreement with Sharikat Logistics Pte. Ltd pursuant to which the Property will be leased to Sharikat Logistics Pte. Ltd..

In line with its principal investment strategy of investing in a diversified portfolio of income-producing real estate that is predominantly for business parks and other industrial purposes in Singapore and elsewhere in the Asia Pacific region, the Managers believe that the Proposed Acquisition will benefit the Stapled Securityholders owing to the following factors:

(i) The Proposed Acquisition is in line with VI-REIT's Investment Strategy;

(ii) Unique Acquisition Opportunity:

(a) Strategic Location and Good Connectivity;

(b) Reputable Master Lessee; and

(c) Resilient and Growing Sector;

(iii) Positive Portfolio Impact:

(a) Portfolio and Income Diversification and Enlarged Tenant Base; and

(b) Increased Portfolio Size and Weighted Average Lease Expiry.

(See the announcement dated 26 October 2016 issued by the Managers 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" for further information on the rationale for the Proposed Acquisition.)

5.2 Strengthen VI-REIT's balance sheet and capital structure

VI-REIT's Aggregate Leverage is expected to decrease from 39.8% as at 30 September 2016 to 38.5% immediately after the Private Placement pending deployment of the net proceeds of the Private Placement, as illustrated in the table below.

Without the proceeds raised from the Private Placement, VI-REIT's Aggregate Leverage would, following the funding of the Proposed Acquisition, increase to 42.6%.

(in SGD million)	**As at 30 September 2016**	**Immediately after the Private Placement**	
		Pending deployment of the net proceeds of the Private Placement for the intended use	**Taking into account the Proposed Acquisition**
Borrowings and Deferred Payments	488	488	519
Deposited Property[(1)]	1,225	1,269	1,320
Aggregate Leverage	39.8%	38.5%	39.3%

Note:

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

5.3 Possible increase in trading liquidity of Stapled Securities

The New Stapled Securities to be issued pursuant to the Private Placement will increase the number of Stapled Securities in issue by approximately 60,811,000, which represents an increase of 7.0% of the total number of Stapled Securities currently in issue.

This increase in the total number of Stapled Securities in issue and enlarged Stapled Securityholder base is expected to improve the trading liquidity of the Stapled Securities.

6. AUTHORITY TO ISSUE THE STAPLED SECURITIES

The New Stapled Securities and Consideration Stapled Securities will be issued pursuant to the general mandate (the "**General Mandate**") that was given by the Stapled Securityholders to the Managers at the annual general meeting of VIT held on 27 April 2016, pursuant to which the Managers may, during the period from 27 April 2016 until (i) the conclusion of the next annual general meeting of VIT or (ii) the date by which the next annual general meeting of VIT is required by law to be held, whichever is earlier, issue new Stapled Securities, whether by way of rights or otherwise and/or make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities, provided that the aggregate number of new Stapled Securities to be issued (including new Stapled Securities to be issued in pursuant of Instruments made or granted) shall not exceed 50.0% of the total number of issued Stapled Securities as at 27 April 2016 (the "**Base Figure**"), of which the aggregate number of new Stapled Securities to be issued other than on a *pro rata* basis to existing Stapled Securityholders, shall not be more than 20.0% of the Base Figure.

As at 27 April 2016, the number of Stapled Securities in issue was 863,118,597 Stapled Securities and therefore, the number of Stapled Securities that can be issued under the General Mandate on a non *pro rata* issuance is 172,623,719 Stapled Securities.

Taking into account the 7,475,782 Stapled Securities which are issued and issuable on a non *pro rata* basis since 27 April 2016 under the General Mandate (the "**Issued Stapled Securities**") as payment for the REIT Manager's Base Fees[1] attributable to VI-REIT's portfolio of properties [2] (the "**Portfolio Properties**") and Viva Real Estate Asset Management Pte. Ltd.'s (the "**Property Manager**") property management and lease management fees attributable to VI-REIT's Portfolio Properties for the period from 1 January 2016 to 30 September 2016, the balance of Stapled Securities that can be issued under the General Mandate is 165,147,937 Stapled Securities on a non *pro rata* basis.

Therefore, the 60,811,000 New Stapled Securities and 31,081,081 Consideration Stapled Securities to be issued is within the number of Stapled Securities that can be issued pursuant to the General Mandate on a non *pro rata* basis. Accordingly, prior approval of the Stapled Securityholders is not required for the issue of the New Stapled Securities under the Private Placement and the issue of Consideration Stapled Securities in connection with the Proposed Acquisition.

1 "**Base Fee**" means the base fee of 10.0% per annum of VI-REIT's distributable income in relation to a financial year (calculated before accounting for the Base Fee and Performance Fee (as defined in the trust deed constituting VI-REIT)) which the REIT Manager is entitled to under the trust deed constituting VI-REIT.

2 This excludes Jackson Square and Jackson Design Hub (for which the attributable Base Fee is paid in cash).

7. ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT

The New Stapled Securities have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The New Stapled Securities are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. The New Stapled Securities are not transferable except in accordance with the restrictions described in the Offer Information Statement (as defined herein).

The Managers, along with the Joint Underwriters and Placement Agents, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

8. STATUS OF THE NEW STAPLED SECURITIES

8.1 Entitlement to Advanced Distribution

VIT's policy is to distribute its distributable income on a quarterly basis to Stapled Securityholders[1]. The Managers had, on 21 October 2016, declared its distribution for the period from 1 July 2016 to 30 September 2016 (the "**3Q Distribution**"). The books closure date for the 3Q Distribution is 4 November 2016.

In conjunction with the Private Placement, the Managers intend to declare an advanced distribution for the period from 1 October 2016 to 6 November 2016 (the "**Advanced Distribution**"). The Advanced Distribution will only be distributed in respect of the Stapled Securities in issue on the day immediately prior to the date on which the New Stapled Securities are issued pursuant to the Private Placement (the "**Existing Stapled Securities**"). The books closure date for the Advanced Distribution is 4 November 2016.

The next distribution following the Advanced Distribution will comprise VIT's distributable income for the period from 7 November 2016 to 31 December 2016. Quarterly distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by VIT, up to the day immediately preceding the date of issue of the New Stapled Securities, is only distributed in respect of the Existing Stapled Securities, as a means to ensure fairness to the holders of the Existing Stapled Securities.

The current expectation of the Managers is that the quantum of the distribution per Stapled Security under the Advanced Distribution will range from 0.692 Singapore cents to 0.764 Singapore cents per Stapled Security[2]. A further announcement on the actual amount of the Advanced Distribution (which may differ from the estimate above) will be made by the Managers in due course after the management accounts of VIT for the relevant period have been finalised.

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1 The total distributions available to the Stapled Securityholders are an aggregate of the distributions from VI-REIT and VI-BT. VI-BT is currently dormant and will not make any distributions for so long as it remains dormant.

2 This range is an estimate only based on information currently available to the Managers and the Managers' estimate of VIT's revenue and expenses, and the actual Advanced Distribution may differ.

The New Stapled Securities are expected to commence trading on the SGX-ST on 7 November 2016.

(See the announcement dated 26 October 2016 issued by the Managers titled "Notice of Advanced Distribution Books Closure and Distribution Payment Dates" for further information on the notification of the time and date on which the transfer books and register of Stapled Securityholders will be closed to determine Stapled Securityholders' entitlement to the Advanced Distribution.)

8.2 Status of the New Stapled Securities

The New Stapled Securities will, upon issue, rank *pari passu* in all respects with the Existing Stapled Securities, including the right to VIT's distributable income from the day of issuance of the New Stapled Securities as well as all distributions thereafter, other than in respect of the Advanced Distribution.

For the avoidance of doubt, the holders of the New Stapled Securities to be issued pursuant to the Private Placement will not be entitled to the 3Q Distribution and the Advanced Distribution.

9. APPLICATION TO THE SGX-ST FOR APPROVAL IN-PRINCIPLE

The Managers will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Stapled Securities on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

10. LODGEMENT OF OFFER INFORMATION STATEMENT

The Managers have today lodged the offer information statement in connection with the Private Placement in respect of the New Stapled Securities (the "**Offer Information Statement**") with the Monetary Authority of Singapore ("**MAS**").

A copy of the Offer Information Statement is available on the website of MAS at http://www.mas.gov.sg.

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.