
NEWS RELEASE

VIT COMPLETES S\$87.3 MILLION ACQUISITION OF HIGH SPECIFICATIONS LOGISTICS PROPERTY AT 6 CHIN BEE AVENUE

- ✓ *VIT's ninth asset boosts its existing portfolio by 7.9% to approximately S\$1.28 billion and expands aggregate gross floor area ("GFA") to 3.90 million sq ft*
- ✓ *Successful acquisition of the newly completed 5-storey ramp-up high specifications logistics/warehouse development taps on growing importance of Singapore's food services sector*
- ✓ *Yield-accretive asset has been leased to Sharikat Logistics Pte Ltd ("Sharikat Logistics") under a triple-net master lease agreement for 7+3 years with rental escalations over the lease term*

Singapore, 16 January 2017 – Singapore-focused business park and industrial property trust, Viva Industrial Trust ("VIT"), has completed the acquisition of a high specifications ramp-up logistics development at 6 Chin Bee Avenue, Singapore 619930 (the "Property") for a purchase consideration of S\$87.3 million, excluding the upfront land premium and stamp duty.

Following the acquisition, VIT's existing property portfolio¹ will grow by 7.9% to approximately S\$1.28 billion while its weighted average portfolio occupancy will increase from 88.6% to 89.8%. In addition, its weighted average lease expiry (by net rental income) will rise from 3.3 years to 3.6 years.

The Property is leased to Sharikat Logistics, an ISO certified 3PL and total logistics and warehouse space solution provider, under a 7-year triple-net master lease at S\$7.44 million per annum, which translates to a net property income ("NPI") yield of 8%². In addition, there will be rental escalations of 1.5% per annum at the beginning of the third year and for every subsequent year of the lease term, and an option to renew for a further term of 3 years.

¹ Based on property portfolio information as at 30 September 2016.

² Assuming total consideration for the Property (including upfront land premium) to be approximately S\$93 million

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 successfully completed the acquisition of 6 Chin Bee Avenue. We see the immense potential of Singapore’s growing food services sector and this asset serves as a cornerstone of VIT’s strategy to tap on the increasing demand for centralised food storage facilities. The acquisition of this defensive asset is yield-accretive, broadens VIT’s portfolio mix and reinforces its strong fundamentals at a time when the market continues to face headwinds and uncertainties.”

The Property, which has remaining land tenure of approximately 27 years, comprises five levels of high specifications logistics/warehouse facilities, which include 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.

With a total GFA of 324,166 sq ft, the Property is strategically located within the established Jurong Industrial Estate with good connectivity to major expressways. The Property is valued at S\$94.3 million based on an independent valuation by Suntec Real Estate Consultants Pte Ltd as at 12 October 2016.

The purchase consideration of S\$87.3 million excludes an upfront land premium of S\$5.57 million³ (excluding GST) for the balance of the 30-year lease term of the Property, which has been paid to JTC Corporation on 11 January 2017.

The acquisition of the Property is funded by a mix of debt and net equity proceeds of S\$43.5 million from an oversubscribed private placement of new stapled securities completed in November 2016, as well as the issuance of new consideration stapled securities to the vendor, Sharikat National (Pte) Limited, to satisfy S\$23.0 million of the purchase consideration.

³ Based on JTC’s posted land rent as at 23 December 2016.



6 Chin Bee Avenue

(Leased to Sharikat Logistics under a triple-net master lease agreement for 7+3 years with rental escalations over the lease term)

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Note: This press release should be read and understood only in conjunction with the Announcement issued on SGXNET on 16 January 2017.

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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. As at 16 January 2017, VIT’s portfolio comprises nine properties located in Singapore, namely (i) UE BizHub EAST, (ii) Viva Business Park, (iii) Mauser Singapore, (iv) Jackson Square, (v) Jackson Design Hub, (vi) Home-Fix Building, (vii) 11 Ubi Road 1, (viii) 30 Pioneer Road, and (ix) 6 Chin Bee Avenue, with an aggregate gross floor area of 3.90 million sq ft.

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

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