

## **Vicom to buy Bukit Batok warehouse from Mapletree Logistics Trust for S\$22.4m**

By Marissa Lee, The Business Times TUE, SEP 04, 2018

VEHICLE inspection firm Vicom has agreed to buy a six-storey warehouse from Mapletree Logistics Trust (MLT) for S\$22.4 million.

The property, located at 531 Bukit Batok Street 23, will in time replace Setsco's present premises at Teban Gardens Crescent, which has been zoned for re-development under the government's plans for the Jurong Lake District, Vicom said on Tuesday.

MLT acquired the Bukit Batok property in 2005 for S\$20.32 million. It was valued at S\$22.4 million as at March 31.

MLT said that the selective divestment of low-yielding properties with older warehouse specifications and limited redevelopment potential is part of its strategy. The warehouse, served by cargo lifts, has a gross floor area of 18,843 square metres (sq m) on a land site of about 7,555 sq m.

MLT said: "With a current plot ratio of 2.49 as compared to the maximum allowable of 2.5, there is limited scope to increase the gross floor area of the property. Given its relatively small land area, there is also limited potential for redevelopment into a ramp-up logistics facility."

JTC Corporation has granted in-principle approval for the transaction, which is expected to be completed by October.

Vicom said that it will fund the purchase with internal resources. The deal is not expected to have any material impact on Vicom's or MLT's earnings in their current financial years.

MLT units rose 0.79 per cent to close at S\$1.28 on Tuesday. Vicom shares rose 0.16 per cent to close at S\$6.11.