

## NEWS RELEASE

### VIVA INDUSTRIAL TRUST POSTS Q2 DPS OF 1.723 CENTS

- ✓ **Net property income 10.2% higher than forecast**
- ✓ **Distributable income 0.4% higher than forecast**

**Singapore, 31 July 2014** – Singapore-focused business park and industrial property trust Viva Industrial Trust (“VIT”) has posted a 10.2% increase in net property income to \$10.2 million for the second quarter ended 30 June 2014 (“2Q14”), compared to the forecast of \$9.3 million as set out in its initial public offering (“IPO”) prospectus published in October 2013. Revenue, which came in at \$15.2 million, was 6.7% above forecast revenue of \$14.3 million. Distributable income for 2Q14 was \$10.3 million, or 0.4% higher than the forecast of \$10.2 million.

On the back of these results, distribution per stapled security (“DPS”) for 2Q14 worked out to 1.723 cents, which was 0.3% higher than the forecast at IPO of 1.717 cents. The DPS translates into an adjusted annualised distribution yield of 8.9% based on the IPO price of S\$0.78, versus the annualised forecast yield of 8.8%. The distribution will be paid on 29 August 2014.

For the half year ended 30 June 2014 (“1H14”), DPS amounted to 3.445 cents, which was 0.5% higher than forecast. Distributable income also exceeded forecast by 0.5% at \$20.5 million, while net property income (“NPI”) was 10.2% higher than forecast at \$20.1 million. Gross revenue was \$30.2 million, which was \$2.1 million higher than forecast revenue of \$28.1 million.

## Financial Highlights

	Quarter ended 30 Jun 2014			Half Year ended 30 Jun 2014		
	Actual	Forecast <sup>1</sup>	Variance	Actual	Forecast <sup>1</sup>	Variance
Gross Revenue (S\$'000)	15,209	14,253	▲ 6.7%	30,183	28,128	▲ 7.3%
NPI (S\$'000)	10,219	9,275	▲ 10.2%	20,085	18,226	▲ 10.2%
Distributable Income <sup>2</sup> (S\$'000)	10,287	10,249	▲ 0.4%	20,537	20,432	▲ 0.5%
DPS (SG cents)	1.723	1.717	▲ 0.3%	3.445	3.428	▲ 0.5%
Annualised DPS (SG cents)	6.911	NA	NA	6.947	NA	NA
Annualised Distribution Yield:						
- based on IPO price of S\$0.780	8.9%	8.8%	▲ 1.1%	8.9%	8.8%	▲ 1.1%
- based on closing price of S\$0.795 as at 30 Jun 2014	8.7%	NA	NA	8.7%	NA	NA

<sup>1</sup> Forecast figures are derived from the corresponding period of the full year projection for 2014 as disclosed in the Prospectus dated 28 October 2013.

<sup>2</sup> As VI-BT is dormant, only the distributable income of VI-REIT has been included for the purpose of calculating the DPS.

## Performance Review

The higher-than-forecast distributable income was mainly due to lower income tax expense in respect of the rental top-up under the UE BizHub EAST rental arrangement. The actual amount of the aforesaid rental top-up was below forecast as the actual NPI derived from UE BizHub EAST was better than expected.

Gross revenue for 2Q14 was mainly driven by higher rental income from new leases at UE BizHub EAST, along with the effect of recognising accounting rental income of \$0.3 million on a straight-line basis. However, rental income contribution from Technopark@Chai Chee was \$0.2 million below forecast, as efforts to sign on new tenants were moderated in view of the upcoming asset enhancement initiative. Compared to 1Q14, gross revenue was 1.6% higher mainly due to higher rental contribution from UE BizHub EAST.

Mr Wilson Ang, CEO of Viva Industrial Trust Management Pte. Ltd, the manager of VI-REIT (the "Manager"), said, "The better-than-forecast performance that we have recorded for the second quarter of 2014 reflects healthy demand for business park space. There is room for us to improve the occupancy rate at UE BizHub EAST and Technopark@Chai Chee, and we will continue to work diligently at that. We are also looking forward to kicking off the planned

asset enhancement initiative (“AEI”) for Technopark@Chai Chee upon obtaining the necessary approvals from the relevant authorities.”

### **Outlook & Plans**

Led by a sustained recovery in the US and Eurozone economies, the global economic recovery is expected to continue its momentum. According to the Ministry of Trade and Industry, the Singapore economy is expected to maintain a modest growth of 2.0% to 4.0% in 2014. Against this economic backdrop, a stronger growth in the Asian e-commerce sector should help to sustain demand for logistics space in Singapore.

On the other hand, the recent revision of JTC Corporation’s (“JTC”) subletting policy may pose challenges to industrial properties under JTC leases. The revised policy requires approved anchor subtenants for lessees who are third party facility providers to occupy 70% of total gross floor area after five years from the property’s Temporary Occupation Permit (“TOP”) instead of 50% as was the policy before the revision.

Against this backdrop, the Manager will continue to take a proactive approach towards lease and asset management to grow the portfolio organically and maximize the total portfolio returns. The Manager will continue to actively pursue opportunities for asset acquisition in Singapore and elsewhere in the Asia-Pacific region, and may explore yield accretive acquisitions beyond the Asia-Pacific region with strong fundamentals and promising outlook. Should there be such investment opportunities, the Manager will seek the necessary approvals from the Stapled Securityholders.

The AEI for Technopark@Chai Chee is currently at the advanced planning stage and the Manager is working closely with authorities to obtain the necessary approvals. Dubbed “Project VivaCity”, the upgrading of this property and introduction of new amenities for the convenience of its tenants is expected to increase its attractiveness and the resulting occupancy going forward.

#### **Investor relations contact:**

**Ms Sherena Seow**

Viva Industrial Trust Management Pte. Ltd  
DID: +65 6229 5577

Email: [sherena.seow@vivaitrust.com](mailto:sherena.seow@vivaitrust.com)

#### **Media contact:**

**Ms Karin Lai**

Ark Advisors Pte Ltd  
DID: +65 6221 0081 / HP: +65 9837 8136

Email: [karin.lai@arkadvisors.com.sg](mailto:karin.lai@arkadvisors.com.sg)

## **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 that is predominantly for business parks and other industrial purposes in Singapore and elsewhere in the Asia Pacific region, while VI-BT is presently dormant. VIT's portfolio comprises three properties located in Singapore, namely (i) UE BizHub EAST, (ii) Technopark@Chai Chee and (iii) Mauser Singapore, with an aggregate gross floor area of 2.4 million sq ft.

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

## **IMPORTANT NOTICE**

This press release 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 Viva Industrial Trust Management Pte. Ltd., ("REIT Manager"), Viva Asset Management Pte. Ltd ("BT Trustee-Manager", and together with the REIT Manager, "Managers"), The Trust Company (Asia) Limited, as trustee of Viva Industrial Real Estate Investment Trust ("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 Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This press release 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.

Standard Chartered Securities (Singapore) Pte. Limited, Merrill Lynch (Singapore) Pte. Ltd. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch are the Joint Global Coordinators and Issue Managers for the initial public offering and listing of Viva Industrial Trust (the "Offering"). Standard Chartered Securities (Singapore) Pte. Limited, Merrill Lynch (Singapore) Pte. Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, CIMB Securities (Singapore) Pte. Ltd., Maybank Kim Eng Securities Pte. Ltd. and Credit Suisse (Singapore) Limited are the Joint Bookrunners and Underwriters for the Offering.