

NEWS RELEASE

VIT DELIVERS 39.2% GROWTH IN 3Q2016 NET PROPERTY INCOME FROM ENHANCED PORTFOLIO AND HIGHER OCCUPANCY

- ✓ *Net property income (“NPI”) grew 39.2% to S\$17.4 million, mainly due to higher contributions from the three newly-acquired properties and asset enhancement initiative (“AEI”) at Viva Business Park (“VBP”)*
- ✓ *Records higher distribution per stapled security (“DPS”) which grew 9.9% year-on-year to 1.810 cents; and annualised distribution yield of 9.1%¹*
- ✓ *Weighted average portfolio occupancy improved to 88.6% in 3Q2016*

Financial Highlights

	3Q2016	Year-on-Year		Quarter-on-Quarter	
		3Q2015	Variance	2Q2016	Variance
Gross Revenue (S\$'000)	24,252	18,388	▲ 31.9%	23,387	▲ 3.7%
NPI (S\$'000)	17,405	12,504	▲ 39.2%	17,197	▲ 1.2%
Distributable Income ² (S\$'000)	15,713	11,622	▲ 35.2%	15,147	▲ 3.7%
Number of stapled securities for calculation of DPS ('000)	868,112	705,632	▲ 23.0%	865,497	▲ 0.3%
DPS (SG cents)	1.810	1.647	▲ 9.9%	1.750	▲ 3.4%
Annualised DPS (SG cents)	7.201	7.000 ³	▲ 2.9%	7.038	▲ 2.3%
Annualised Distribution Yield	9.1% ¹	9.9% ⁴	--	9.9% ⁵	--

Singapore, 21 October 2016 – Viva Industrial Trust (“VIT”), a Singapore-focused business park and industrial property trust, today reported a strong set of financial results for the third quarter ended 30 September 2016 (“3Q2016”).

On a year-on-year basis, NPI for 3Q2016 grew by 39.2% to S\$17.4 million, on the back of a 31.9% jump in gross revenue to S\$24.3 million. Distributable income increased by 35.2% to reach S\$15.7 million in 3Q2016 and resulted in a 9.9% growth in DPS to 1.810 cents and an annualised distribution yield of 9.1%¹ for the reporting quarter.

¹ Based on closing price of S\$0.790 as at 30 September 2016.

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

³ Actual FY2015 DPS

⁴ Based on closing price of S\$0.710 as at 31 December 2015.

⁵ Based on closing price of S\$0.710 as at 30 June 2016.

On a quarter-on-quarter basis, NPI and distributable income for 3Q2016 increased by 1.2% and 3.7% from the preceding second quarter ended 30 June 2016 (“2Q2016”) of S\$17.2 million and S\$15.1 million, respectively.

For the nine months ended 30 September 2016 (“9M2016”), gross revenue grew 28.1% year-on-year to S\$69.6 million, while NPI surged by 35.8% year-on-year to S\$50.4 million. The 9M2016 DPS of 5.198 cents was lower by 3.1% as compared to that of the nine-month period in the preceding year, due to the enlarged share base following the completion of two private placements and a preferential offering in FY2015.

Meanwhile, VIT’s weighted average portfolio occupancy continued to climb to 88.6% in 3Q2016 from 87.0% at the end of FY2015, and reflected a marked improvement from the occupancy of 70.1% at the time of its initial public offering.

Commenting on VIT’s latest financial results, Mr Wilson Ang, CEO of Viva Industrial Trust Management Pte Ltd, the manager of VI-REIT (the “REIT Manager”), said, “VIT’s robust 3Q2016 results and rising occupancy rate are testimony to our successful mid-term growth strategies. The rising DPS that VIT is delivering also contrasts with the challenging macroeconomic and industrial property market headwinds. We are today reaping the fruits of the REIT Manager enhancing value through asset enhancements within VIT’s portfolio, strategically acquiring quality properties that diversify our revenue streams whilst continuing to maximise tenant retentions with positive rental reversions. We look forward to finishing 2016 on a high note as we complete the AEI at VBP and enjoy the contributions from our newly-acquired properties.”

Strategic Acquisitions and AEI Continue to Power VIT Ahead

In 3Q2016, VIT’s financial performance continues to be driven by the successful acquisition of the three newly-acquired properties, namely *Home-Fix Building (“HFB”)*, *11 Ubi Road 1* and *30 Pioneer Road*; as well as the AEI at VBP where Phase 2 was completed in May 2016.

Gross revenue was boosted by additional rental contribution of S\$2.6 million from HFB and 11 Ubi Road 1, additional rental contribution of S\$1.1 million from 30 Pioneer Road, as well as higher rental contribution from the “white” space units at 750 and 750A, and other income at VBP by S\$2.0 million. Overall, the three newly-acquired properties accounted for over 63%

of the year-on-year growth in gross revenue, while VBP contributed over 34% of the year-on-year growth in 3Q2016.

To counter the subdued property market and economic conditions in Singapore, the REIT Manager continued its proactive asset and lease management strategy and has been successful in securing approximately 502,000 square feet of lease renewals and new leases in 9M2016, excluding pre-committed leases in respect of the “white” space at VBP. The weighted average portfolio occupancy also improved to 88.6% in 3Q2016.

VBP’s AEI Nears Completion in 4Q2016

Phase 3 of the AEI at 750B is expected to complete by 4Q2016. With the scheduled completion of all AEI works, VBP is expected to progressively contribute additional income to VIT.

During 3Q2016, the REIT Manager also secured a new anchor tenant, which is a leading household name with a showroom/retail chain in Singapore. The anchor tenant has taken up the remaining “white” space of approximately 38,000 sq ft on the ground floor and second floor of 750B, and will unveil a new consumer experience at VBP early next year. With the commitment from this anchor tenant, the “white” space at 750B has been fully leased out.

Overall, the REIT Manager has now secured committed leases for more than 93% of the total “white” space at VBP from 21 tenants supporting the three core themes of Sports and Fitness, Food and Beverage and Family-Oriented amenities, which have brought greater vibrancy to VBP and the Chai Chee neighbourhood.

Moving forward, the REIT Manager is in active discussions with all its retail tenants to roll out exciting offers and promotions to attract shoppers and diners, and further establish VBP as the go-to ‘work-play-eat-shop’ destination in the wider Bedok region.

Business Park Sector Remains Relatively Resilient

According to Knight Frank⁶, the industrial property sector continued to face headwinds in most industries and sectors, putting further pressure on both industrial space rentals and prices in

⁶ Singapore Industrial Market Q3 2016 Research Bulletin, Knight Frank, Q3 2016

3Q2016. As a result, overall island-wide industrial rents softened further in 3Q2016 and rentals have dropped across most locations. For the business park sector, rentals moderated downwards in 3Q2016 due to the effects of the challenging business climate as tenants remain cautious on their business space needs.

Nonetheless, the business park sector continued to be resilient in 3Q2016, as business park space that has flexible layout, ready amenities, good connectivity and clustered within established business park zones remains well-occupied. Furthermore, the lack of new supply in business park space in the medium term is expected to be supportive of rentals.⁷

With a business-park focused portfolio – VBP and UE BizHub EAST – that includes infocomm technology companies amongst its key tenants, the REIT Manager believes that the industry trends bode well for VIT in the short to medium term. In addition, the REIT Manager will continue to maintain VIT's growth momentum through its three-pronged strategy of building a pipeline of yield-accretive acquisitions, proactive asset and lease management, and prudent capital and risk management.

END

⁷ "Asian Insights SparX – Future of Singapore: Singapore Industrial Real Estate", 22 August 2016

**For further enquiry, please contact:
Ms Chin May Nah / Mr Yap Meng Lee**

Kreab

DID: +65 6339 9110

Email: Viva@kreab.com

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 estates which are 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 30 September 2016, VIT’s portfolio comprises eight 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, and (viii) 30 Pioneer Road, with an aggregate gross floor area of 3.58 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., in its capacity as manager of Viva Industrial Real Estate Investment Trust (“VI-REIT”, and the manager of VI-REIT, the “REIT Manager”), Viva Asset Management Pte. Ltd., in its capacity as trustee-manager of Viva Industrial Business Trust (“VI-BT”, and the trustee-manager of VI-BT, the “Trustee-Manager”, and collectively with the REIT Manager, 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 Singapore Exchange Securities Trading Limited (the “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.