

NEWS RELEASE
VIVA INDUSTRIAL TRUST ANNOUNCES 6.958 CENTS OF DISTRIBUTION PER STAPLED SECURITY FOR FY2016

- ✓ 4Q2016 Distribution per Stapled Security (“DPS”) increased by 7.7% year-on-year to 1.760 cents
- ✓ 4Q2016 Net property income (“NPI”) grew 31.7% year-on-year to S\$18.1 million, mainly underpinned by higher contributions from asset enhancement initiative (“AEI”) at Viva Business Park (“VBP”), in addition to the recently acquired properties
- ✓ Latest quarter caps a successful full year as FY2016 distributable income grew 28.3% year-on-year to reach S\$60.9 million
- ✓ FY2016 DPS of 6.958 cents translates to 9.2%¹ Distribution Yield
- ✓ Additional income from newly acquired 6 Chin Bee Avenue, Singapore 619930 (“6 Chin Bee Avenue”) will come on-stream in 1Q2017

Financial Highlights

| | Fourth Quarter ended 31 December | | | Financial Year ended 31 December | | |
|--|----------------------------------|--------------------|----------|----------------------------------|-------------------|----------|
| | 4Q2016 | 4Q2015 | Variance | FY2016 | FY2015 | Variance |
| Gross Revenue (S\$'000) | 25,568 | 19,702 | ▲ 29.8% | 95,119 | 73,989 | ▲ 28.6% |
| Net Property Income (S\$'000) | 18,078 | 13,725 | ▲ 31.7% | 68,478 | 50,838 | ▲ 34.7% |
| Distributable Income ² (S\$'000) | 15,935 | 12,463 | ▲ 27.9% | 60,938 | 47,478 | ▲ 28.3% |
| DPS (SG cents) | 1.760 | 1.634 | ▲ 7.7% | 6.958 ³ | 7.000 | ▼ 0.6% |
| Annualised DPS (SG cents) | 7.002 | 7.000 ⁴ | - | 6.958 | 7.000 | ▼ 0.6% |
| Annualised Distribution Yield: - based on closing price of S\$0.755 as at 30 Dec 2016 | 9.3% | 9.9% ⁵ | - | 9.2% | 9.9% ⁵ | - |

Singapore, 26 January 2017 – Viva Industrial Trust (“VIT”), a Singapore-focused business park and industrial property trust, today reported a robust set of financial results for the fourth quarter ended 31 December 2016 (“4Q2016”). During the quarter, VIT recorded a

¹ Based on closing price of S\$0.755 as at 30 December 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 Notwithstanding that the distributable income for FY2016 was higher than that of FY2015, the DPS for FY2016 was lower than that of FY2015 due to the enlarged share base arising from the completion of two private placements and a preferential offering in FY2015 and a private placement in November 2016 to partially fund the acquisition of 6 Chin Bee Avenue.

⁴ Actual FY2015 DPS.

⁵ Based on closing price of S\$0.710 as at 31 December 2015.

7.7% year-on-year increase in DPS to 1.760 cents, on the back of a steady rise in Distributable Income by 27.9% to reach S\$15.9 million.

Based on VIT's closing price of S\$0.755 on 30 December 2016, the FY2016 DPS of 6.958 cents translates to an attractive distribution yield of 9.2%¹.

Mr Wilson Ang, CEO of Viva Industrial Trust Management Pte Ltd, the manager of Viva Industrial Real Estate Investment Trust (the "Manager"), said, "We are pleased to present a strong set of results for the fourth quarter and FY2016 as this demonstrates the resilience of VIT's portfolio and our ability to extract value amidst the soft industrial property market. The results were also boosted by the additional income derived from strategic acquisitions in the last two years and organic growth from within our defensive and diversified portfolio."

Review of 4Q2016 and FY2016 Performance

VIT's NPI for 4Q2016 grew by 31.7% year-on-year to S\$18.1 million, on the back of a 29.8% year-on-year jump in gross revenue to S\$25.6 million. On a full-year basis, gross revenue at S\$95.1 million was 28.6% higher than that of FY2015, while NPI climbed 34.7% year-on-year to S\$68.5 million in FY2016.

The strong performance in FY2016 was mainly due to additional income contributions from (a) Home-Fix Building and 11 Ubi Road 1, which were acquired on 24 November 2015; (b) 30 Pioneer Road, which was acquired on 15 April 2016; and (c) VBP, which arose mainly from its retail units at 750 and 750A, and its contestable electricity bulk purchase program.

The FY2016 DPS of 6.958 cents was 0.6% lower than that of FY2015, due to the enlarged share base following the completion of two private placements and a preferential offering in FY2015, as well as a private placement in November 2016 to partially fund the acquisition of 6 Chin Bee Avenue.

In FY2016, the Manager secured new leases for about 101,000 sq ft of space and renewed the leases for about 356,000 sq ft of space, which translates to a lease renewal rate of 90% while recording positive rental reversion of 5.2%.

Looking Ahead

In the first half of 2016, the Manager obtained Temporary Occupation Permit (“TOP”) for 750A (Phase 1) and 750 (Phase 2) of the AEI works at VBP, while 750B (Phase 3) remains on track, with partial TOP obtained in 4Q2016 and the final TOP expected to be obtained in February 2017.

The transformation journey to establish VBP as the ‘work-play-eat-shop’ destination in the wider Bedok region is getting closer to realization. In creating ‘vibrancy in a park’ at VBP, the Manager has secured a variety of Food & Beverage tenants serving up cuisine from around the world, large-format retailing options for sporting goods and household electronics and furnishing, as well as becoming a fitness and family-focused destination. The success of the AEI is reflected in the level of committed leases for the total “white” space at VBP reaching 94.9%.

In January 2017, VIT completed the acquisition of a newly completed 5-storey ramp-up high specifications logistics and warehouse development at 6 Chin Bee Avenue, which serves as a cornerstone of VIT’s strategy to seek out assets servicing recession-resilient sectors and tap on the increasing demand for centralised foods storage facilities and the growing importance of Singapore’s food services sector. Moving forward, VIT expects to derive additional income contribution from 6 Chin Bee Avenue from the first quarter of this year.

Despite the industrial sector facing considerable headwinds and challenging macroeconomic conditions, VIT’s portfolio valuation remained resilient. Building on VIT’s growth momentum, the Manager is continuously on the lookout for yield-accretive acquisitions while adopting a prudent and disciplined approach towards capital and risk management.

Commenting on VIT’s plans for FY2017, Mr Ang said, “We are excited to see the transformation of VBP nearing completion, as it symbolises the maturity of VIT as one of the leading industrial REITs in Singapore offering the best-in-class income-producing portfolio. As the government embarks on its industry transformation programme to push Singapore into becoming a smart nation, we continue to see opportunities for both organic and inorganic growth in Singapore’s industrial property landscape.”

According to JTC⁶, prices and rentals of industrial space continued to fall in tandem with occupancy rates in 2016, and with approximately 3.0 million sqm of industrial space coming on-stream till end of 2017, there is likely to be further downward pressure on occupancy rates, prices and rentals. However, VIT's defensive portfolio fundamentals are expected to remain resilient and well-positioned to weather the economic uncertainties. The Manager will seek to continue improving VIT's portfolio occupancy and rentals, and focus on identifying income-producing quality assets in its investment pipeline that can deliver stable distributions and attractive returns for the stapled security holders of VIT.

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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. 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>.

⁶ Quarterly Market Report Industrial Properties – Third Quarter 2016, JTC Corporation, October 2016

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