

**NEWS RELEASE**

## VIVA INDUSTRIAL TRUST COMMENCES THE YEAR WITH HIGHER DISTRIBUTION PER STAPLED SECURITY AT 1.854 CENTS FOR 1Q2017

- ✓ *Distribution per stapled security (“DPS”) rose by 13.2% year-on-year (y-o-y) to 1.854 cents in 1Q2017*
- ✓ *1Q2017 Distributable Income grew by 25.9% y-o-y to S\$17.8 million and Net Property Income (“NPI”) grew by 28.8% y-o-y to S\$20.3 million*
- ✓ *The robust growth was attributable to higher rental income from two additional logistics properties and Viva Business Park’s (“VBP”) Asset Enhancement Initiative (“AEI”)*
- ✓ *Higher weighted average portfolio occupancy at 91.1% in 1Q2017, which is an improvement from 86.9% in the corresponding quarter of the preceding year*

**Financial Highlights**

	Year-on-Year			Quarter-on-Quarter	
	1Q2017	1Q2016	Variance	4Q2016	Variance
Gross Revenue (S\$'000)	27,379	21,912	▲ 24.9%	25,568	▲ 7.1%
Net Property Income (S\$'000)	20,340	15,798	▲ 28.8%	18,078	▲ 12.5%
Distributable Income <sup>1</sup> (S\$'000)	17,807	14,143	▲ 25.9%	15,935	▲ 11.7%
DPS (SG cents)	1.854	1.638	▲ 13.2%	1.760	▲ 5.3%
Annualised DPS (SG cents)	7.519	6.958 <sup>2</sup>	▲ 8.1%	6.958 <sup>2</sup>	▲ 8.1%
Annualised Distribution Yield	9.5% <sup>3</sup>	9.2% <sup>4</sup>	--	9.2% <sup>4</sup>	--

**Singapore, 28 April 2017 – Viva Industrial Trust (“VIT”),** a Singapore-focused business park and industrial property trust, today announced a strong set of financial results for the first quarter ended 31 March 2017 (“1Q2017”) with 13.2% and 25.9% y-o-y increase in DPS and Distributable Income at 1.854 cents and S\$17.8 million respectively. Based on VIT’s closing

<sup>1</sup> As VI-BT is inactive, only the distributable income of VI-REIT Group has been included for the purpose of calculating the DPS

<sup>2</sup> Actual FY2016 DPS.

<sup>3</sup> Based on closing price of S\$0.795 as at 31 March 2017.

<sup>4</sup> Based on closing price of S\$0.755 as at 30 December 2016.

price of S\$0.795 on 31 March 2017, the 1Q2017 annualised DPS of 7.519 cents translates to a high annualised distribution yield of 9.5%.

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 commence the new financial year on a strong footing by building on the growth momentum year-on-year. The 1Q2017 results demonstrate our commitment to provide our stapled securityholders with stable distributions driven by our yield accretive acquisitions and the successful AEI project at VBP.”

### **Operational Performance**

The Manager completed the acquisition of 6 Chin Bee Avenue in January 2017, which had since contributed S\$1.6 million of rental income in 1Q2017. The higher 1Q2017 gross revenue of S\$27.4 million, which translates to 24.9% growth y-o-y, was also due to the additional rental contribution of S\$1.1 million from 30 Pioneer Road, as well as additional rental and other income contribution of S\$2.5 million from the VBP retail units at 750 and 750A and the implementation of the contestable electricity bulk purchase programme at VBP. The Manager had further secured committed leases to bring the committed occupancy of the total “white” space at VBP up to 95.6% from 94.9% in the preceding quarter.

Furthermore, VIT’s portfolio occupancy improved from 86.9% in 1Q2016 to 91.1% in 1Q2017. The Manager secured approximately 95,000 square feet of lease renewals and new leases in 1Q2017 in a leasing market that is showing modest improvement. The weighted average lease expiry (“WALE”) remained at a healthy level of 3.2 years.

### **Looking Ahead**

According to recent economic data such as Singapore’s Manufacturing Output and Purchasing Managers’ Index (PMI), industrial demand in Singapore has remained positive. Singapore’s total manufacturing output<sup>5</sup> in February 2017 increased by 12.6% y-o-y, on the back of the strong growth in the electronics and precision engineering sectors. In March 2017, PMI<sup>6</sup> in Singapore also recorded a faster expansion rate of 51.2, up 0.3 points from the preceding month.

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<sup>5</sup> Monthly Manufacturing Performance February 2017, Economic Development Board, 24 March 2017

<sup>6</sup> Singapore Purchasing Managers’ Index (PMI), Singapore Institute of Purchasing and Materials Management, March 2017

Separately, the Committee on the Future Economy (“CFE”), which was set up in 2016 to outline the direction for Singapore’s economic development, has included plans to boost the information and communication technology sector as part of the Industry Transformation Maps. VIT’s portfolio of high-quality integrated business park developments, logistics and light industrial properties is well-poised to tap on these emerging opportunities in the years ahead.

Meanwhile, Phase 3 of the AEI works at VBP 750B is progressing into the final stages with Temporary Occupation Permit (“TOP”) for all AEI works expected to be obtained in the second quarter of 2017. The completion of the AEI will fully transform VBP into a ‘work-eat-play’ destination that aims to rejuvenate the Chai Chee precinct and wider Bedok region.

In addition, VIT’s latest acquisition - 6 Chin Bee Avenue, a newly completed 5-storey ramp-up high specifications logistics and warehouse development, has begun contributing additional income in 1Q2017. The acquisition taps on the increasing demand for centralised food storage facilities amidst the growth potential of the food services sector in Singapore.

Commenting on VIT’s growth strategy in the new year, Mr Ang said, “Even as our past investments have started to bear fruit, we will remain focused on enhancing VIT’s fundamentals and align our strategic initiatives to cater to the changing business demands in Singapore such as riding on the transformation of Singapore’s future economy. We will also continue to seek out good quality assets and pursue accretive inorganic growth opportunities that will deliver stable distributions and attractive returns to VIT’s stapled securityholders”

#### **Recent Announcement on Jackson International**

With reference to the recent liquidation filed by Jackson International Private Limited, Mr Ang said, “With the rental support bank guarantee in place, we do not expect this matter to have a material impact on the financials or distributions of VIT for FY2017. Furthermore, we are seeking legal advice on the appropriate course of action and will work to protect the interests of our stapled securityholders.”

The Managers will make further announcements on the SGXNET as necessary when there are any material developments on this matter.

**END**

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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 inactive. As at 31 March 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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