

NEWS RELEASE

VIT ACHIEVES 21.6% GROWTH IN DISTRIBUTABLE INCOME FOR 1Q2016

- ✓ 1Q2016 distributable income grew by 21.6% year-on-year, delivering a distribution per stapled security (“DPS”) of 1.638 cents and annualised distribution yield of 9.2%¹
- ✓ Newly acquired properties, 11 Ubi Road 1 and Home-Fix Building (“HFB”) contributed 12% of VIT’s gross revenue in 1Q2016
- ✓ Latest acquisition of 30 Pioneer Road and asset enhancement initiative (“AEI”) at Viva Business Park (“VBP”) are expected to progressively contribute additional income to VIT from 2Q2016

Financial Highlights

	Year-on-Year			Quarter-on-Quarter		
	1Q2016	1Q2015	Variance	1Q2016	4Q2015	Variance
Gross Revenue (S\$’000)	21,912	18,084	▲ 21.2%	21,912	19,702	▲ 11.2%
Net Property Income (S\$’000)	15,798	12,414	▲ 27.3%	15,798	13,725	▲ 15.1%
Distributable Income ² (S\$’000)	14,143	11,630	▲ 21.6%	14,143	12,463	▲ 13.5%
DPS (SG cents)	1.638	1.870	▼ 12.4%	1.638	1.634	▲ 0.2%
Annualised DPS (SG cents)	6.588	7.584	▼ 13.1%	6.588	6.483	▲ 1.6%
Annualised Distribution Yield (based on closing price of S\$0.720 as at 31 Mar 2016)	9.2%	10.5%	▼ 12.4%	9.2%	9.0%	▲ 2.2%

Singapore, 28 April 2016 – Viva Industrial Trust (“VIT”), a Singapore-focused business park and industrial property trust, today reported a healthy 27.3% year-on-year increase in net property income to S\$15.8 million for the first quarter ended 31 March 2016 (“1Q2016”), on the back of higher revenue contribution from existing assets and newly acquired properties. Distributable income grew by 21.6% to reach S\$14.1 million, translating to a DPS of 1.638 cents and an annualised distribution yield of 9.2% for the reporting quarter.

1. Based on closing price of S\$0.720 as at 31 March 2016.

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

Mr Wilson Ang, CEO of Viva Industrial Trust Management Pte Ltd, the manager of VI-REIT (the “REIT Manager”), said, “We are pleased to turn in a resilient set of results for the first quarter of 2016. The acquisition of two yield-accretive properties last November, coupled with our proactive leasing strategy, helped to maintain our growth momentum. The positive results are a reflection of our prudent approach towards achieving growth and maximising total portfolio returns.”

1Q2016 Operational and Financial Review

Gross revenue for 1Q2016 came in at S\$21.9 million, which was S\$3.8 million or 21.2% higher than that of the corresponding quarter last year. The strong performance was mainly driven by additional rental contribution of S\$2.6 million from HFB and 11 Ubi Road 1, as well as higher revenue contribution from VBP and Jackson Square by S\$0.9 million and S\$0.3 million, respectively.

1Q2016 DPS of 1.638 cents was consistent with that of the previous quarter but was 12.4% lower than that of the corresponding quarter last year as a result of an enlarged share base following the completion of two private placements and a preferential offering in FY2015 to partially fund the AEI at VBP and the acquisition of three properties, which increased the number of issued Stapled Securities by approximately 233.4 million or 37.4%.

During the quarter under review, VIT secured approximately 205,000 square feet of lease renewals and new leases. The AEI at VBP is in good progress with the receipt of the Temporary Occupation Permit (“TOP”) for 750A in January this year. Sporting goods giant, Decathlon, has relocated its Southeast Asia (“SEA”) headquarters to VBP, and officially opened its SEA flagship store to the public with overwhelming response from the tenants and the public. As at 31 March 2016, close to 58% of the “white” space of the AEI project has been committed. The REIT Manager is in active discussion with prospective tenants to further widen tenant mix and boost occupancy.

In line with its proactive capital management approach, the REIT Manager has, in February 2016, successfully completed the refinancing of VIT’s outstanding loans which are maturing in FY2016/17. This has significantly improved VIT’s working capital and lengthened its weighted average debt maturity from 2.2 years to 4.0 years as at 31 March 2016.

Outlook and Plans

Based on advance estimates from the Ministry of Trade and Industry (“MTI”), the Singapore economy grew by 1.8% on a year-on-year basis in the first quarter of 2016, the same pace of growth as in the previous quarter. Growth was flat on a quarter-on-quarter seasonally-adjusted annualised basis, in contrast to the 6.2% expansion in the preceding quarter³.

According to Deutsche Bank’s market research, growth of Singapore REITs remains challenging in the year ahead. Occupancy and rental reversion are the two key issues troubling the sector. Occupancy rates for both retail and industrial REITs have bottomed out in the last two quarters, and are likely to remain stable at current levels. While occupancy is expected to have stabilized, rental reversions are likely to trend down⁴.

The AEI works at 750 VBP are completed pending issuance of TOP and retrofitting works at 750B VBP are currently in full swing as VIT embarks on the final phase of its AEI project. All AEI works are scheduled to complete in the third quarter of 2016, with a wide variety of F&B, retail and lifestyle outlets progressively opening and transforming VBP into a vibrant workplace and lifestyle destination.

The REIT Manager has also completed the acquisition of 30 Pioneer Road earlier this month, which has since started contributing additional income to VIT. With the acquisition of its eighth asset, VIT’s property portfolio valuation currently stands at close to S\$1.2 billion.

Commenting further on VIT’s outlook and plans, Mr Ang said, “We have made considerable investments in the past year which are starting to bear fruit. We will stay focused on building upon VIT’s fundamentals and keep a look out for opportunities to drive further value for our Stapled Securityholders.”

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3. “Singapore’s GDP Grew by 1.8 Per Cent in the First Quarter of 2016”, Ministry of Trade and Industry Singapore, Press Release, 14 April 2016.

4. “1Q16 results preview – look out for hints of inorganic growth”, Singapore REITs, Deutsche Bank Market Research, 5 April 2016.

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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 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 28 April 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 3.57 million sq ft.

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

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