

## NEWS RELEASE

### VIVA INDUSTRIAL TRUST DELIVERS POSITIVE RESULTS IN 4Q2017 DESPITE INDUSTRY HEADWINDS WITH A 5.5% YEAR-ON-YEAR INCREASE IN DPS TO 1.857 CENTS

- ✓ *Gross Revenue and Net Property Income grew by 10.8% and 14.3% respectively despite challenging market conditions.*
- ✓ *Gross Revenue growth was supported by positive rental reversions achieved at UE BizHub East and Viva Business Park, as well as by contributions from 6 Chin Bee Avenue.*
- ✓ *Downtown Line Phase 3 commenced operations in October 2017 and UE BizHub East Urban Plaza and downtown line Subway Link was completed, improving connectivity and accessibility to the property.*
- ✓ *Overall portfolio achieved 2.6% positive rental reversion for FY2017.*

#### Financial Highlights

	Fourth Quarter ended 31 December			Financial Year ended 31 December		
	4Q2017	4Q2016	Variance	FY2017	FY2016	Variance
Gross Revenue (S\$'000)	28,341	25,568	▲ 10.8%	111,663	95,119	▲ 17.4%
Net Property Income (S\$'000)	20,657	18,078	▲ 14.3%	81,806	68,478	▲ 19.5%
Distributable Income <sup>1</sup> (S\$'000)	17,455	15,935	▲ 9.5%	74,084	60,938	▲ 21.6%
Distribution Declared (S\$'000)	18,063 <sup>2</sup>	15,935	▲ 13.4%	72,305 <sup>2</sup>	60,938	▲ 18.7%
Number of stapled securities for calculation of DPS ('000)	972,658	905,225	▲ 7.4%	967,564	875,667	▲ 10.5%
DPS (SG cents)	1.857	1.760	▲ 5.5%	7.472	6.958	▲ 7.4%
Annualised Distribution Yield	7.9% <sup>3</sup>	9.2% <sup>4</sup>	--	8.0% <sup>3</sup>	9.2% <sup>4</sup>	--

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

<sup>2</sup> The distribution declared for 4Q2017 and FY2017 is made on the basis as if the JS rental support arrangement is still in place notwithstanding the settlement agreement entered into with Jackson International Private Limited ("JIPL") on 19 May 2017 pursuant to which JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement.

<sup>3</sup> Based on closing price of S\$0.935 on 29 December 2017.

<sup>4</sup> Based on actual FY2016 DPS and closing price of S\$0.755 on 30 December 2016.

**Singapore, 26 January 2018 – Viva Industrial Trust (“VIT”)**, a Singapore-focused business park and industrial property trust, today announced a strong set of results for 4Q2017 to close off the financial year. Gross Revenue and Net Property Income grew by 10.8% and 14.3% year-on-year (y-o-y) respectively to reach S\$28.3 million and S\$20.7 million for the quarter. This translated to a 13.4% y-o-y increase in distributions declared of S\$18.1 million, resulting in DPS of 1.857 cents. DPS increased by 5.5% y-o-y despite an increase in the number of issued stapled securities. VIT also saw notable share price appreciation in 2017 to close at S\$0.935 on 29 December 2017 from S\$0.755 as at 3 January 2017. For FY2017, distribution yield compressed to 8.0% as compared with distribution yield of 9.2% for FY2016.

### **Sound Operational Performance and Stable Valuations**

Against the backdrop of a soft industrial leasing market weighed down by significant supply coming onstream this past year, Viva Industrial Trust Management Pte Ltd, the manager of Viva Industrial Real Estate Investment Trust (the “Manager”) managed to renew a total of 305,000 sqft of existing leases and secure 113,000 sqft of new leases, with an overall portfolio rental reversion of 2.6% for FY2017.

VIT continued to reap the benefits of the asset enhancement initiative completed at Viva Business Park (“VBP”). With “white” space committed occupancy at 97.2% as at 31 December 2017, VBP is solidifying itself as an environment to “work, shop, dine and play”. Moreover, spill-over effects to the business park space resulted in a 3.0% positive rental reversion at the property for FY2017.

Meanwhile, since October 2017, connectivity to UE BizHub East (“UEBH”) has been significantly enhanced with the operation of the Downtown Line (“DTL”) Phase 3, converting Expo station into an interchange station for the DTL and East-West Line. The DTL station just below the property now connects the many bank back offices at Changi Business Park to their front offices in the Central Business District via a direct train ride and is only one MRT stop away from Changi Airport. Furthermore, accessibility to UEBH is also further enhanced with the completion of the DTL subway link at the property connecting UEBH directly to Expo station and the completion of the outdoor Urban Plaza connecting UEBH to Changi City Point.

With its properties’ operational performance remaining sound, VIT’s portfolio valuation of S\$1.28 billion held relatively stable with a marginal 0.7% drop from the previous year.



### **Looking Back and Striving Ahead**

Singapore's GDP grew by 3.1% in 4Q2017 and 3.5% for FY2017 (based on advanced estimates) clocking the fastest full year pace of growth since 2014. Growth continues to be led by the manufacturing sector with a 6.2% y-o-y expansion for the quarter on the back of robust performance from the electronics and precision engineering clusters. With the tailwinds behind the macro-economy gaining some momentum, the general industrial property market should begin to see some recovery in rents and occupancy over the course of this year.

Commenting on VIT's performance for the past year, Mr Wilson Ang, CEO of the Manager said, "In 2017, we have delivered strong returns to our unitholders with investors recognising good value in VIT. Challenges remain in the industrial REITs market, with active management, deep relationships and portfolio scale being the key differentiators amongst industrial S-REITs' performance. We strive to continue pressing ahead to outperform expectations, with the view to further crystallising value for our unitholders."

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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. 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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