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NEWS RELEASE

VIVA INDUSTRIAL TRUST REPORTS NET PROPERTY INCOME OF S$21 MILLION AND DPS OF 1.902 CENTS IN 2Q2018

- ✓ *Gross Revenue and Net Property Income grew 3.9% and 3.3% respectively y-o-y.*
- ✓ *Achieved new high for overall portfolio occupancy at 92%.*
- ✓ *IRAS accorded tax transparency treatment on all rental support income received and receivable by VI-REIT.*
- ✓ *Recognized net income tax credit of S$4.96 million in 2Q2018, which in turn gave rise to S$4.46 million of distributable income.*

Financial Highlights

	Year-on-Year			Quarter-on-Quarter	
	2Q2018	2Q2017	Variance	1Q2018	Variance
Gross Revenue (S$'000)	28,681	27,606	▲ 3.9%	28,692	▼ 0.0%
Net Property Income (S$'000)	20,878	20,211	▲ 3.3%	21,051	▼ 0.8%
Distributable Income[1] (S$'000)	20,790	20,971	▼ 0.9%	16,170	▲ 28.6%
Distribution Declared (S$'000)	18,559[2]	18,005[3]	▲ 3.1%	17,949[4]	▲ 3.4%
Number of stapled securities for calculation of DPS ('000)	975,759	967,473	▲ 0.9%	975,759	— 0.0%
DPS (SG cents)	1.902	1.861	▲ 2.2%	1.838	▲ 3.5%
Annualised Distribution Yield	8.7%[5]	8.0%[6]	--	8.4%[7]	--

Singapore, 13 August 2018 – Viva Industrial Trust ("VIT"), a Singapore-focused business park and industrial property trust, today announced a 3.9% and 3.3% increase in Gross Revenue and Net Property Income to S$28.7 million and S$20.9 million respectively.

[1] *As VI-BT is inactive, only the distribution of VI-REIT Group has been included for the purpose of calculating the DPS.*
[2] *The distribution declared for 2Q2018 included 50% of the distributable income attributable to the net income tax credit of S$4.96 million in 2Q2018.*
[3] *The distribution declared for 2Q2017 was made on the basis as if the JS rental support arrangement was still in place notwithstanding the JS Rental Support Settlement as announced on 21 May 2017.*
[4] *The distribution declared for 1Q2018 included the release of all the previously retained distributable income of S$1.78 million attributable to the JS Rental Support Settlement.*
[5] *Based on closing price of $0.875 on 29 June 2018.*
[6] *Based on actual FY2017 DPS and closing price of S$0.935 on 29 December 2017.*
[7] *Based on closing price of $0.885 on 29 March 2018*

Distribution declared at S$18.6 million was 3.1% higher than the corresponding period a year ago, translating to a DPS of 1.902 cents. All management fees payable to the REIT manager and Property manager for 2Q2018 were paid in cash.

IRAS has accorded tax transparency treatment to the rental support received/receivable by VI-REIT under the UE BizHub EAST rental arrangement and the Jackson Square rental support arrangement retrospectively with effect from 1 January 2014. VI-REIT recognized a net income tax credit of S$4.96 million in 2Q2018, which in turn gave rise to S$4.46 million of distributable income, of which 50% has been included in the distribution for 2Q2018 while the remaining 50% has been retained and will be included in the next distribution.

Operational Performance

In 2Q2018, the REIT manager successfully signed a 5+5 year master lease agreement with Mauser Singapore for 81 Tuas Bay Drive before the existing lease expires on 31 May 2019. This mitigates master lease expiry risk in the portfolio with no near-term master lease expiry until FY2021.

Furthermore, over 44.6% of leases due for renewal in FY2018 have been renewed in 1H2018 with an overall positive rental reversion of 2.3%. This quarter also saw the introduction of Teledirect Pte Ltd to VIT's Top 10 Tenants list. Teledirect Pte Ltd operates as a call centre in Viva Business Park ("VBP") and occupies 67,000 sqft of space. VBP's occupancy as at the end of 2Q2018 was at its highest to date at 81%. VIT also recorded a new high of 92% for its overall portfolio occupancy, testament to VIT's capabilities in asset rejuvenation and effective leasing and marketing strategies.

Outlook

Based on advance estimates[8], the Singapore economy grew by 3.8% on a year-on-year basis in 2Q2018, moderating from the 4.3% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.0% compared to the 1.5% growth in the preceding quarter. The manufacturing sector grew by 8.6% on a year-on-year basis in the second quarter, slower than the 9.7% growth in the

[8] "Singapore's GDP Grew by 3.8 Per Cent in the Second Quarter of 2018", Ministry of Trade and Industry, Press Release, 13 July 2018

previous quarter. All clusters within the sector expanded during the quarter, with the electronics and biomedical manufacturing clusters contributing the most to the sector's growth.

Rentals of industrial space remained relatively stable for most market segments. In 2Q2018, the rental index fell marginally by 0.1% to 91.0 as compared to the previous quarter and by 1.4% on a year-on-year basis even as the total supply of industrial space rose by 1.2 million sqm compared to a year ago[9]. The rental index of multi-user factory, single-user factory and warehouse have receded 0.7%, 4.2% and 3.8% year-on-year respectively, whilst business park rentals bucked the trend and expanded 5.3% year-on-year. Meanwhile, the overall vacancy rate, on a quarter-on-quarter basis, posted a mild decline of 0.3% points whilst on a year-on-year basis, the occupancy rate remained largely flat.

Mr Wilson Ang, CEO of the REIT manager said, "Our milestone portfolio occupancy places us on firm footing to meet new challenges and strengthen our value proposition in an increasingly competitive industrial sector."

VIT will hold its extraordinary general meeting and scheme meeting on 31 August 2018 at 2.30pm and 4.00pm respectively to seek approval of the Stapled Securityholders for the Proposed Merger and the Scheme. If all the requisite approvals for the Proposed Merger and the Scheme are obtained and thereafter, the Scheme becomes effective, the next distribution that Stapled Securityholders will be entitled to receive will be in respect of the period from 1 July 2018 to the effective date of the Scheme.

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[9] JTC Quarterly Market Report, Industrial Properties, Second Quarter 2018

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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