



## VIVA INDUSTRIAL TRUST

### Comprising:

#### **VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) managed by

**Viva Industrial Trust Management Pte. Ltd.**

#### **VIVA INDUSTRIAL BUSINESS TRUST**

(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore) managed by

**Viva Asset Management Pte. Ltd.**

Standard Chartered Securities (Singapore) Pte. Limited, Merrill Lynch (Singapore) Pte. Ltd. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch are the Joint Global Coordinators and Issue Managers for the initial public offering and listing of Viva Industrial Trust (the "**Offering**"). Standard Chartered Securities (Singapore) Pte. Limited, Merrill Lynch (Singapore) Pte. Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, CIMB Securities (Singapore) Pte. Ltd., Maybank Kim Eng Securities Pte. Ltd. and Credit Suisse (Singapore) Limited are the Joint Bookrunners and Underwriters for the Offering.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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## **INTRODUCTION**

Viva Industrial Trust (“**VIT**”) is a stapled group (the “**Stapled Group**”) comprising Viva Industrial Real Estate Investment Trust (“**VI-REIT**”) and its subsidiary (collectively, “**VI-REIT Group**”) and Viva Industrial Business Trust (“**VI-BT**”). VI-REIT and VI-BT are managed by Viva Industrial Trust Management Pte. Ltd. (the “**REIT Manager**”) and Viva Asset Management Pte. Ltd. (the “**BT Trustee-Manager**”), respectively.

VI-REIT is a Singapore-based real estate investment trust established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate which is used predominantly for business park and other industrial purposes, whether wholly or partially, in Singapore and elsewhere in the Asia-Pacific region, as well as real estate-related assets in connection with the foregoing. VI-BT is a Singapore-based business trust which has remained dormant since its constitution on 14 October 2013.

VI-REIT has an initial portfolio of three properties located in Singapore, namely UE BizHub EAST (“**UEBH**”), Technopark@Chai Chee (“**TPCC**”), and Mauser Singapore (collectively, the “**Initial Properties**”). On 21 November 2014, VI-REIT completed the acquisition of two light industrial properties located in Singapore, namely Jackson Square and Jackson Design Hub.

Stapled securities in VIT (“**Stapled Securities**”) commenced trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 4 November 2013 (the “**Listing Date**”).

The consolidated financial statements of the Stapled Group and of VI-REIT Group included the financial statements of a wholly-owned subsidiary, Viva iTrust MTN Pte. Ltd. (“**VMTN**”), which was established on 28 August 2014 with an initial capital of S\$1 to act as issuer of a S\$500 million Multicurrency Medium Term Note Programme (the “**MTN Programme**”), which was established by VMTN on 28 August 2014.

## **Distribution Policy**

VIT’s distribution policy is to distribute 100% of its Taxable Specified Income (as defined herein) and Specified Taxed Income (as defined herein) for the period from the Listing Date to 31 December 2015 and thereafter to distribute at least 90% of its Taxable Specified Income and Specified Taxed Income. Taxable Specified Income refers to VI-REIT’s income chargeable to tax under the Income Tax Act after deduction of allowable expenses and applicable tax allowances (but excluding gains on sale of real properties which are determined to be trading gains and rental income support in respect of the UEBH rental arrangement). Under the tax transparency treatment accorded to VI-REIT, VI-REIT will not be taxed on its Taxable Specified Income to the extent of the amount distributed to the Stapled Securityholders of VI-REIT. Specified Taxed Income refers to VI-REIT’s after-tax income arising from gains on sale of real properties which are determined to be trading gains and rental income support in respect of the UEBH rental arrangement, which may be subject to income tax. For further details on the tax treatment of the rental income support arising from the UEBH rental arrangement, please refer to note (i) on page 6 of this announcement.

VI-BT remains dormant as at the date of this announcement. In the event that VI-BT becomes active and profitable, VI-BT’s distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by VI-BT will be at the sole discretion of the BT Trustee-Manager.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**Summary of results of Viva Industrial Trust**

	<b>Stapled Group</b>					
	<b>4Q2014</b>			<b>FY2014</b>		
	<b>Actual</b>	<b>Forecast <sup>(a)</sup></b>	<b>Variance</b>	<b>Actual</b>	<b>Forecast <sup>(a)</sup></b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Gross revenue	16,621	15,291	8.7%	61,740	58,255	6.0%
Net property income	11,020	10,145	8.6%	40,753	38,088	7.0%
Distributable income <sup>(b)</sup>	10,334	10,502	-1.6%	40,963	41,284	-0.8%
Distribution per Stapled Security (cents)	1.701 <sup>(c)</sup>	1.713	-0.7%	6.833 <sup>(c)</sup>	6.870	-0.5%

**Notes:**

- (a) The forecast results are derived from the corresponding period of the full year projection for 2014 as disclosed in the Prospectus.
- (b) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group for 4Q2014 and FY2014 are contributed solely by VI-REIT Group as VI-BT was dormant during the period. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.
- (c) Please refer to section 6 on page 16 of this announcement for the calculation of Distribution per Stapled Security for 4Q2014 and FY2014.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**1(a) Income statements together with comparatives for corresponding periods in immediately preceding financial year**

**1(a)(i) Consolidated Statement of Total Return for the quarter ended 31 December 2014 ("4Q2014")**

	Note	4Q2014			4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup>			Inc / (Dec)		
		Stapled Group S\$'000	VI-REIT Group S\$'000	VI-BT S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	VI-BT S\$'000	Stapled Group %	VI-REIT Group %	VI-BT %
Gross revenue	(b)	16,621	16,621	-	9,017	9,017	-	84.3	84.3	-
Property expenses		(5,601)	(5,601)	-	(3,013)	(3,013)	-	85.9	85.9	-
<b>Net property income</b>		<b>11,020</b>	<b>11,020</b>	<b>-</b>	<b>6,004</b>	<b>6,004</b>	<b>-</b>	<b>83.5</b>	<b>83.5</b>	<b>-</b>
Rental support / rental arrangement	(b)	2,931	2,931	-	2,470	2,470	-	18.7	18.7	-
REIT Manager's fees	(c)	(1,042)	(1,042)	-	(642)	(642)	-	62.3	62.3	-
REIT Trustee's fees		(45)	(45)	-	(33)	(33)	-	36.4	36.4	-
Amortisation of intangible assets	(d)	(1,050)	(1,050)	-	(665)	(665)	-	57.9	57.9	-
Other trust expenses	(e)	(92)	(90)	(2)	(224)	(224)	-	(58.9)	(59.8)	n.m
Finance income		34	34	-	-	-	-	n.m	n.m	-
Finance expenses	(f)	(3,747)	(3,747)	-	(1,681)	(1,681)	-	122.9	122.9	-
<b>Net income</b>		<b>8,009</b>	<b>8,011</b>	<b>(2)</b>	<b>5,229</b>	<b>5,229</b>	<b>-</b>	<b>53.2</b>	<b>53.2</b>	<b>n.m</b>
Change in fair value of investment properties	(g)	14,121	14,121	-	(2,556)	(2,556)	-	n.m	n.m	-
Change in fair value of derivative financial instruments	(h)	794	794	-	(1,488)	(1,488)	-	n.m	n.m	-
<b>Total return before income tax</b>		<b>22,924</b>	<b>22,926</b>	<b>(2)</b>	<b>1,185</b>	<b>1,185</b>	<b>-</b>	<b>1,834.5</b>	<b>1,834.7</b>	<b>n.m</b>
Income tax expense	(i)	(412)	(412)	-	(382)	(382)	-	7.9	7.9	-
<b>Total return after income tax</b>		<b>22,512</b>	<b>22,514</b>	<b>(2)</b>	<b>803</b>	<b>803</b>	<b>-</b>	<b>2,703.5</b>	<b>2,703.7</b>	<b>n.m</b>

No detailed explanations have been provided for the variances between the Stapled Group's actual results for 4Q2014 and its actual results for the period from the Listing Date (i.e. 4 November 2013) to 31 December 2013 as it is not meaningful to compare the results for 92 days in 4Q2014 against the results for 58 days in the period from 4 November 2013 to 31 December 2013. Please refer to section 9 for a comparison of the Stapled Group's actual results for 4Q2014 against its forecast results for 4Q2014 derived from the full year projection for 2014 as disclosed in the Prospectus.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**1(a)(ii) Consolidated Statement of Total Return for the financial year ended 31 December 2014 (“FY2014”)**

Note	FY2014			4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup>			Inc / (Dec)		
	Stapled Group S\$'000	VI-REIT Group S\$'000	VI-BT S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	VI-BT S\$'000	Stapled Group %	VI-REIT Group %	VI-BT %
Gross revenue	61,740	61,740	-	9,017	9,017	-	584.7	584.7	-
Property expenses	(20,987)	(20,987)	-	(3,013)	(3,013)	-	596.5	596.5	-
<b>Net property income</b>	<b>40,753</b>	<b>40,753</b>	-	<b>6,004</b>	<b>6,004</b>	-	578.8	578.8	-
Rental support / rental arrangement	12,449	12,449	-	2,470	2,470	-	404.0	404.0	-
REIT Manager's fees	(4,105)	(4,105)	-	(642)	(642)	-	539.4	539.4	-
REIT Trustee's fees	(180)	(180)	-	(33)	(33)	-	445.5	445.5	-
Amortisation of intangible assets	(4,200)	(4,200)	-	(665)	(665)	-	531.6	531.6	-
Other trust expenses	(729)	(725)	(4)	(224)	(224)	-	225.4	223.7	n.m
Finance income	42	42	-	-	-	-	n.m	n.m	-
Finance expenses	(11,731)	(11,731)	-	(1,681)	(1,681)	-	597.9	597.9	-
<b>Net income</b>	<b>32,299</b>	<b>32,303</b>	<b>(4)</b>	<b>5,229</b>	<b>5,229</b>	-	517.7	517.8	n.m
Change in fair value of investment properties	14,121	14,121	-	(2,556)	(2,556)	-	n.m	n.m	-
Change in fair value of derivative financial instruments	1,166	1,166	-	(1,488)	(1,488)	-	n.m	n.m	-
<b>Total return before income tax</b>	<b>47,586</b>	<b>47,590</b>	<b>(4)</b>	<b>1,185</b>	<b>1,185</b>	-	3,915.7	3,916.0	n.m
Income tax expense	(1,791)	(1,791)	-	(382)	(382)	-	368.8	368.8	-
<b>Total return after income tax</b>	<b>45,795</b>	<b>45,799</b>	<b>(4)</b>	<b>803</b>	<b>803</b>	-	5,603.0	5,603.5	n.m

n.m – Not meaningful

No detailed explanations have been provided for the variances between the Stapled Group's actual results for FY2014 and its actual results for the period from the Listing Date (i.e. 4 November 2013) to 31 December 2013 as it is not meaningful to compare the results for FY2014 against the results for 58 days in the period from 4 November 2013 to 31 December 2013. Please refer to section 9 for a comparison of the Stapled Group's actual results for FY2014 against its forecast results for FY2014 derived from the full year projection for 2014 as disclosed in the Prospectus.

**Notes:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the initial public offering (“IPO”) and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

- (b) The breakdown of gross revenue and rental differential derived from each property in 4Q2014 and FY2014, and the occupancy rate and weighted average lease expiry (“WALE”) of each property as at 31 December 2014 are as follows:

	Stapled Group					
	4Q2014		FY2014			
	Gross revenue S\$'000	Rental differential S\$'000	Gross revenue S\$'000	Rental differential S\$'000	Occupancy rate %	WALE <sup>(1)</sup> Years
<b>TPCC</b>	6,622	254	25,880	1,565	63	1.8
<b>UEBH - Business Park</b>	5,892	2,410	23,234	10,599	85	4.5
<b>UEBH - Hotel Leased Premises</b>	2,137	-	8,550	-	100	3.8
<b>UEBH - Hotel Retail Areas</b>	203	21	871	39	100	1.1
<b>Mauser Singapore</b>	479	-	1,917	-	100	4.4
<b>Jackson Square</b>	1,043	246	1,043	246	91	1.9
<b>Jackson Design Hub</b>	245	-	245	-	100	9.9
	16,621	2,931	61,740	12,449		

Note:

- (1) WALE is calculated based on the underlying committed gross rental income as at 31 December 2014 assuming renewal options are not exercised.

Rental support / rental arrangement relates to the rental differentials which are received/receivable under:

- (i) the UEBH rental arrangement, pursuant to which the vendor of UEBH has agreed to pay VI-REIT for the rental differential (where the actual net rental income derived from UEBH (excluding the Hotel Leased Premises) is less than S\$26.0 million per annum) for a duration of five years from the Listing Date;
  - (ii) the TPCC rental support arrangement, pursuant to which the vendor of TPCC has agreed to pay VI-REIT for the rental differential (where the actual gross rental income derived from TPCC is less than S\$2.15 million per month) for a duration of two years from the Listing Date subject to a cap of S\$2.3 million; and
  - (iii) the Jackson Square (“**JS**”) rental support arrangement, pursuant to which the vendor of JS has agreed to pay VI-REIT for the rental differential where the actual aggregate gross rental income derived from JS is less than S\$58.0 million over the period of five years from the date of acquisition of JS on 21 November 2014.
- (c) This relates to the REIT Manager's base fee (“**REIT Base Fee**”), which is calculated based on 10% per annum of the distributable income of VI-REIT (before accounting for the REIT Base Fee). No performance fee is payable to the REIT Manager in respect of FY2014.
- (d) This relates to the amortisation of the rental differential to be provided to VI-REIT by the respective vendors of UEBH and TPCC pursuant to the UEBH rental arrangement and TPCC rental support arrangement, respectively as described in note (b) above. Such rental differential is amortised on a straight line basis over the duration of the UEBH rental arrangement and TPCC rental support arrangement of five years and two years from the Listing Date, respectively.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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- (e) Other trust expenses include recurring expenses such as annual listing fee, registrar and secretarial fees, audit and tax compliance fees, valuation fees, costs associated with the preparation of annual reports, investor communications costs and other miscellaneous costs.
- (f) Finance expenses include interest expense, loan commitment fees and amortisation of debt-related transaction costs.
- (g) This relates to unrealised gain on revaluation of the investment properties as at 31 December 2014, the details of which are as shown below:

	<b>S\$'000</b>
Carrying value of investment properties as at 1 January 2014	725,600
Acquisition of investment properties	111,486
Acquisition related costs	1,365
Capital expenditure incurred	<u>128</u>
	838,579
<b>Change in fair value of investment properties recognised in the consolidated statement of total return</b>	<u>14,121</u>
Fair value of investment properties as at 31 December 2014	<u>852,700</u>

- (h) This relates to the change in fair value of interest rate swaps entered into to fix the interest rates on the Stapled Group's interest-bearing borrowings. In accordance with Singapore Financial Reporting Standard ("**FRS**") 39 – *Financial Instruments*, the change in fair value of interest rate swaps is recognised in the consolidated statement of total return.
- (i) The Inland Revenue Authority of Singapore ("**IRAS**") has, on 11 October 2013, granted VI-REIT a provisional approval for tax transparency treatment to be accorded to the rental income support in respect of the UEBH rental arrangement, subject to certain conditions being met (the "**Provisional Approval**").

The IRAS has, on 23 April 2014, issued a letter to withdraw the aforesaid Provisional Approval. The withdrawal of the Provisional Approval by the IRAS has no financial impact on the financial statements of the Stapled Group as such financial statements have been prepared on the basis that tax transparency treatment would not be applicable to the rental income support in respect of the UEBH rental arrangement and consequently, the Stapled Group made an income tax provision of approximately S\$1.79 million in respect of the rental income support arising from the UEBH rental arrangement for the year ended 31 December 2014.

Together with VI-REIT's tax advisers, the REIT Manager will continue to engage with the IRAS to seek its approval for tax transparency treatment to be accorded to the rental income support in respect of the UEBH rental arrangement. Further announcements will be made on the SGXNET when there are further developments on this matter.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**1(a)(iii) Distribution Statement**

Note	4Q2014		FY2014		4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup>	
	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000
<b>Total return after income tax</b>	<b>22,512</b>	<b>22,514</b>	<b>45,795</b>	<b>45,799</b>	<b>803</b>	<b>803</b>
Net tax adjustments ( <b>Note A</b> )	(12,178)	(12,178)	(4,832)	(4,832)	5,618	5,618
<b>Net income available for distribution for the period</b>	<b>10,334</b>	<b>10,336</b>	<b>40,963</b>	<b>40,967</b>	<b>6,421</b>	<b>6,421</b>
Distribution per Stapled Security (cents):						
For the period		1.701		6.833		1.080
Annualised		6.749		6.833		6.802

**Notes:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.
- (b) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group for 4Q2014 and FY2014 are contributed solely by VI-REIT Group as VI-BT was dormant during the period. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.
- (c) Please refer to section 6 on page 16 of this announcement for the calculation of Distribution per Stapled Security for 4Q2014 and FY2014.

**Note A**

	4Q2014		FY2014		4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup>	
	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000
<b>Net tax adjustments comprise:</b>						
REIT Manager's fees payable in Stapled Securities	963	963	4,026	4,026	642	642
Property Manager's fees payable in Stapled Securities	347	347	1,355	1,355	202	202
REIT Trustee's fees	45	45	180	180	33	33
Adjustment for recognition of rental income on a straight-line basis over the lease term	(227)	(227)	(1,279)	(1,279)	(281)	(281)
Amortisation of intangible assets	1,050	1,050	4,200	4,200	665	665
Amortisation of debt-related transaction costs	520	520	1,853	1,853	294	294
Change in fair value of investment properties	(14,121)	(14,121)	(14,121)	(14,121)	2,556	2,556
Change in fair value of derivative financial instruments	(794)	(794)	(1,166)	(1,166)	1,488	1,488
Other non-taxable items	39	39	120	120	19	19
<b>Net tax adjustments</b>	<b>(12,178)</b>	<b>(12,178)</b>	<b>(4,832)</b>	<b>(4,832)</b>	<b>5,618</b>	<b>5,618</b>



**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**1(b) Statement of Financial Position**

**1(b)(i) Statement of Financial Position as at 31 December 2014**

	Note	31 Dec 2014			31 Dec 2013		
		Stapled Group S\$'000	VI-REIT Group S\$'000	VI-BT S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	VI-BT S\$'000
<b>Non-current assets</b>							
Investment properties	(a)	852,700	852,700	-	725,600	725,600	-
Intangible assets	(b)	13,435	13,435	-	17,635	17,635	-
		866,135	866,135	-	743,235	743,235	-
<b>Current assets</b>							
Trade and other receivables	(c)	11,423	11,423	-	17,664	17,664	30
Cash and cash equivalents	(d)	4,957	4,928	29	11,683	11,683	-
		16,380	16,351	29	29,347	29,347	30
<b>Total assets</b>		<b>882,515</b>	<b>882,486</b>	<b>29</b>	<b>772,582</b>	<b>772,582</b>	<b>30</b>
<b>Non-current liabilities</b>							
Interest-bearing borrowings	(e)	365,571	365,571	-	265,264	265,264	-
<b>Current liabilities</b>							
Trade and other payables	(f)	22,881	22,879	2	27,670	27,700	-
Interest-bearing borrowings	(e)	20,456	20,456	-	29,223	29,223	-
Derivative financial instruments	(g)	322	322	-	1,488	1,488	-
Income tax payable		1,799	1,799	-	382	382	-
		45,458	45,456	2	58,763	58,793	-
<b>Total liabilities</b>		<b>411,029</b>	<b>411,027</b>	<b>2</b>	<b>324,027</b>	<b>324,057</b>	<b>-</b>
<b>Net assets</b>		<b>471,486</b>	<b>471,459</b>	<b>27</b>	<b>448,555</b>	<b>448,525</b>	<b>30</b>
<b>Represented by:</b>							
Stapled Securityholders' funds		<b>471,486</b>	<b>471,459</b>	<b>27</b>	<b>448,555</b>	<b>448,525</b>	<b>30</b>

**Notes:**

- (a) Independent valuations were conducted by Suntec Real Estate Consultants Pte Ltd for each of the investment properties as at 31 December 2014. The increase in investment properties was mainly due to the acquisition of two light industrial properties located in Singapore, namely Jackson Square and Jackson Design Hub, in November 2014. Please refer to note (g) on page 6 of this announcement for further details.
- (b) This represents the carrying amounts of unamortised rental differential to be provided to VI-REIT by the respective vendors of UEBH and TPCC pursuant to the UEBH rental arrangement and TPCC rental support arrangement, respectively as described in note (d) on page 5 of this announcement.

Intangible assets decreased by S\$4.2 million due to amortisation charge for FY2014.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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- (c) Decrease in trade and other receivables of S\$6.2 million was mainly due to:
- decrease in trade and other receivables of S\$2.0 million;
  - recovery of property tax on UEBH amounting to S\$3.9 million from the vendor of UEBH, which relates to the period prior to the acquisition of UEBH;
  - decrease in deferred property tax of S\$0.3 million;
  - decrease in refundable deposits of S\$1.0 million as certain cash deposits for utilities were replaced with insurance bonds; and
  - absence of GST receivable, which amounted to S\$1.4 million as at 31 December 2013; partially offset by
  - increase in receivables of S\$1.3 million due to the recognition of rental income on a straight-line basis over the lease term of the respective leases;
  - increase in deferred marketing commission of S\$0.6 million; and
  - increase in prepayments of S\$0.5 million.
- (d) Cash and cash equivalents decreased by S\$6.7 million as a result of net cash outflow from investing activities of S\$113.0 million, partially offset by net cash inflow from operating activities of S\$57.6 million and net cash inflow from financing activities of S\$48.7 million during FY2014. Please refer to the consolidated statement of cash flows for FY2014 on page 12 of this announcement for further details.
- (e) Increase in total interest-bearing borrowings of S\$91.5 million was mainly due to:
- issuance of S\$100.0 million in principal amount of four-year Singapore Dollar Medium Term Notes (“**MTN**”) in September 2014 under the S\$500.0 million Multicurrency MTN Programme established by VMTN; and
  - the amortisation of debt-related transaction costs of S\$1.8 million for FY2014; partially offset by
  - the repayment of S\$9.0 million of borrowings; and
  - S\$1.3 million of MTN-related transaction costs incurred.
- (f) Decrease in trade and other payables of S\$4.8 million was mainly due to:
- payment of IPO issue expenses amounting to S\$4.8 million;
  - payment of property tax on UEBH amounting to S\$4.3 million, which relates to the years ended 31 December 2012 and 2013;
  - decrease in rental support received in advance from the vendor of TPCC by S\$1.8 million due to utilisation by VI-REIT during FY2014; partially offset by
  - increase in payables and accruals for property and trust expenses of S\$1.0 million;
  - increase in security deposits received from tenants of S\$2.5 million;
  - increase in rental received in advance from tenants of S\$0.4 million;
  - increase in accrued interest expenses of S\$1.8 million; and
  - GST payable of S\$0.4 million as at 31 December 2014 as compared to a GST receivable of S\$1.4 million as at 31 December 2013.
- (g) This represents the fair value of interest rate swaps entered into to hedge against fluctuations in interest rates on the Stapled Group’s interest-bearing borrowings.
- (h) As at 31 December 2014, the Stapled Group’s current liabilities exceeded its current assets by S\$29.1 million (31 December 2013: S\$29.4 million). The current liabilities of the Stapled Group as at 31 December 2014 included S\$20.5 million (31 December 2013: S\$29.2 million) of outstanding Revolving Credit Facility (net of transaction costs).

Although the outstanding Revolving Credit Facility (“**RCF**”) has been classified as current liabilities in the balance sheet, the Stapled Group has contractual rights under the Credit Facilities Agreement to roll over the outstanding RCF on a monthly or quarterly basis until its final maturity date on 28 October 2016. As at 31 December 2014, the Stapled Group does not intend to fully repay the outstanding RCF within the next 12 months.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

As the outstanding RCF of S\$20.5 million is not expected to be repayable within the next 12 months; by excluding this amount from current liabilities, the Stapled Group would have a negative working capital of S\$8.6 million as at 31 December 2014. As the Stapled Group still has unutilised committed RCF of S\$24.0 million as at 31 December 2014, the REIT Manager and the BT Trustee-Manager (collectively, the “**Managers**”) are of the view that the Stapled Group will be able to meet its obligations as and when they fall due.

**1(b)(ii) Aggregate amount of borrowings**

	Note	Stapled Group	
		31 Dec 2014 S\$'000	31 Dec 2013 S\$'000
<b>Secured borrowings</b>	(a)		
Amount repayable within one year		21,000	30,000
Less: Unamortised transaction costs		(544)	(777)
		20,456	29,223
Amount repayable after one year		270,000	270,000
Less: Unamortised transaction costs		(3,255)	(4,736)
		266,745	265,264
<b>Total secured borrowings</b>		<b>287,201</b>	<b>294,487</b>
<b>Unsecured borrowings</b>	(b)		
Amount repayable after one year		100,000	-
Less: Unamortised transaction costs		(1,174)	-
		98,826	-
<b>Total borrowings</b>		<b>386,027</b>	<b>294,487</b>
Current		20,456	29,223
Non-current		365,571	265,264
		<b>386,027</b>	<b>294,487</b>

Details of borrowings and collateral:

(a) Secured borrowings

VI-REIT has in place a Singapore Dollar senior three-year secured term loan facility and a Singapore Dollar senior four-year secured term loan facility, each amounting to S\$135.0 million, from a syndicate of lenders (the “**Syndicated Lenders**”) (the “**Term Loan Facilities**”). In addition, VI-REIT has in place a committed revolving credit facility of S\$45.0 million from the Syndicated Lenders (the “**Revolving Credit Facility**”, together with the Term Loan Facilities, the “**Credit Facilities**”).

The Credit Facilities bear interest at rates based on the aggregate of a margin plus swap offer rate per annum and are secured by way of the following:

- mortgages over the Initial Properties (the “**Mortgaged Properties**”);
- debenture creating fixed and floating charges on all present and future assets in relation to the Mortgaged Properties;
- an assignment of the relevant lease agreements, acquisition agreements, services agreement and other key agreements in relation to the Mortgaged Properties;
- an assignment of all tenancy agreements, insurance policies, rental assignments, rental support arrangements and bankers’ guarantees in relation to the Mortgaged Properties; and
- an assignment of all rental, sale and insurance proceeds and all sums from time to time which VI-REIT is entitled to receive from the Mortgaged Properties.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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S\$270.0 million in aggregate of the Term Loan Facilities has been drawn down on the Listing Date to partially finance the acquisition of the Initial Properties and S\$21.0 million of the Revolving Credit Facility has been utilised as at 31 December 2014 for general working capital purposes.

VI-REIT has entered into interest rate swaps to fix the interest rates for 79.0% of the outstanding Credit Facilities as at 31 December 2014.

(b) Unsecured borrowings

The Stapled Group issued S\$100.0 million in principal amount of four-year Singapore Dollar MTN comprised in series 001 (the "**Series 001 Notes**") in September 2014 (maturing in September 2018) under its S\$500.0 million Multicurrency MTN Programme. The Series 001 Notes are unsecured and bear interest at a fixed rate of 4.15% per annum payable semi-annually in arrears.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**1(c) Consolidated Statement of Cash Flows**

	<b>Stapled Group</b>		
	<b>4Q2014 S\$'000</b>	<b>FY2014 S\$'000</b>	<b>4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup> S\$'000</b>
<b>Cash flows from operating activities</b>			
Total return for the period before income tax	22,924	47,586	1,185
<b>Adjustments for:</b>			
Effects of recognising rental income on a straight-line basis over the lease term	(227)	(1,279)	(281)
Finance income	(34)	(42)	-
Finance expenses	3,747	11,731	1,681
Change in fair value of investment properties	(14,121)	(14,121)	2,556
Change in fair value of derivative financial instruments	(794)	(1,166)	1,488
Amortisation of intangible assets	1,050	4,200	665
REIT Manager's fees payable in Stapled Securities	963	4,026	642
Property Manager's fees payable in Stapled Securities	347	1,355	202
<b>Operating income before working capital changes</b>	<b>13,855</b>	<b>52,290</b>	<b>8,138</b>
<b>Changes in working capital:</b>			
Trade and other receivables	(4,236)	7,560	(17,383)
Trade and other payables	3,656	(1,913)	21,938
<b>Cash generated from operations</b>	<b>13,275</b>	<b>57,937</b>	<b>12,693</b>
Income taxes paid	(140)	(374)	-
<b>Net cash generated from operating activities</b>	<b>13,135</b>	<b>57,563</b>	<b>12,693</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment properties	(112,851)	(112,851)	(727,156)
Capital expenditure incurred	(36)	(128)	-
<b>Net cash used in investing activities</b>	<b>(112,887)</b>	<b>(112,979)</b>	<b>(727,156)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	-	100,000	300,000
Proceeds from issuance of new Stapled Securities	15,600	15,600	463,320
Issue expenses paid	(62)	(4,859)	(11,769)
Repayment of borrowings	-	(9,000)	-
Payment of transaction costs on borrowings	(29)	(1,314)	(5,405)
Finance expenses paid	(2,179)	(8,120)	(700)
Distribution to Stapled Securityholders	(16,671)	(43,617)	-
Repayment of private trust debt	-	-	(19,300)
<b>Net cash (used in) / generated from financing activities</b>	<b>(3,341)</b>	<b>48,690</b>	<b>726,146</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(103,093)</b>	<b>(6,726)</b>	<b>11,683</b>
Cash and cash equivalents at beginning of the period	108,050	11,683	-
<b>Cash and cash equivalents at end of the period</b>	<b>4,957</b>	<b>4,957</b>	<b>11,683</b>

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**Note:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.

**1(d)(i) Consolidated Statement of Changes in Stapled Securityholders' Funds**

	<b>Stapled Group</b>		
	<b>4Q2014 S\$'000</b>	<b>FY2014 S\$'000</b>	<b>4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup> S\$'000</b>
<b>Balance at beginning of the period</b>	<b>448,797</b>	<b>448,555</b>	-
<b>Operations</b>			
Total return for the period after income tax	22,512	45,795	803
<b>Net increase in net assets resulting from operations</b>	<b>22,512</b>	<b>45,795</b>	<b>803</b>
<b>Stapled Securityholders' transactions</b>			
Issuance of new Stapled Securities pursuant to:			
- Private Placement	15,600	15,600	-
- Initial Public Offering	-	-	463,320
Equity issue expenses	(62)	(228)	(16,412)
Stapled Securities issued and issuable:			
- As payment of REIT Manager's fees	963	4,026	642
- As payment of Property Manager's fees	347	1,355	202
Distribution to Stapled Securityholders	(16,671)	(43,617)	-
<b>Net increase / (decrease) in net assets resulting from Stapled Securityholders' transactions</b>	<b>177</b>	<b>(22,864)</b>	<b>447,752</b>
<b>Balance at end of the period</b>	<b>471,486</b>	<b>471,486</b>	<b>448,555</b>

**Note:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**1(d)(ii) Details of any changes in the number of Stapled Securities**

Note	Stapled Group		
	4Q2014	FY2014	4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup>
<b>Stapled Securities in issue at beginning of the period</b>	598,581,027	594,000,275	275
Issuance of new Stapled Securities pursuant to:			
- Private Placement	20,000,000	20,000,000	-
- Initial Public Offering	-	-	594,000,000
New Stapled Securities issued as payment of:			
- REIT Manager's fees	1,246,054	4,705,490	-
- Property Manager's fees	414,877	1,536,193	-
<b>Total issued Stapled Securities</b>	<b>620,241,958</b>	<b>620,241,958</b>	<b>594,000,275</b>
New Stapled Securities to be issued as payment of:			
- REIT Manager's fees	1,207,476	1,207,476	829,645
- Property Manager's fees	434,203	434,203	260,790
<b>Total issued and issuable Stapled Securities at end of the period</b>	<b>621,883,637</b>	<b>621,883,637</b>	<b>595,090,710</b>

**Notes:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date.
- (b) Pursuant to a private placement, 20.0 million new Stapled Securities were issued on 2 December 2014 for gross proceeds of S\$15.6 million in cash.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the auditors of the Stapled Group.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The accounting policies and methods of computation applied in the Stapled Group's financial statements for the financial year ended 31 December 2014 are consistent with those applied in its audited financial statements for the financial period ended 31 December 2013.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There has been no change in the accounting policies and methods of computation adopted by the Stapled Group.

- 6 Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the period/year

Note	Stapled Group		
	4Q2014	FY2014	4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup>
<b>EPS is calculated based on:</b>			
Total return after income tax (S\$'000)	22,512	45,795	803
Weighted average number of issued and issuable Stapled Securities during the period	606,781,541	599,358,224	594,019,076
Basic and diluted EPS (cents)	(b) 3.710	7.641	0.135
<b>DPS is calculated based on:</b>			
Net income available for distribution for the period (S\$'000)	(c) 10,336	40,967	6,421
Applicable number of Stapled Securities for calculation of DPS	607,518,217	599,529,835	594,000,275
DPS (cents)	(d) 1.701	6.833	1.080

**Notes:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.
- (b) Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments in issue during the period.
- (c) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group for 4Q2014 and FY2014 are contributed solely by VI-REIT Group as VI-BT was dormant during the period. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the DPS.
- (d) The DPS for 4Q2014 and FY2014 without the effects of rental support / rental arrangement would be 1.286 cents and 5.054 cents, respectively.



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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**7 Net asset value (“NAV”) per Stapled Security based on the number of issued and issuable Stapled Securities at the end of the period**

	<b>Stapled Group</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
<b>NAV per Stapled Security is calculated based on:</b>		
Net assets (S\$'000)	471,486	448,555
Number of Stapled Securities:		
- issued	620,241,958	594,000,275
- issuable	1,641,679	1,090,435
	<b>621,883,637</b>	<b>595,090,710</b>
NAV per Stapled Security (cents)	75.82	75.37

**8 A review of the performance for the quarter and year ended 31 December 2014**

Please refer to section 9 for a comparison of the Stapled Group’s actual results for 4Q2014 and FY2014 against the forecast results for 4Q2014 and FY2014 derived from the full year projection for 2014 as disclosed in the Prospectus.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**9 Variance between the actual results and forecast**

**9(a) Statement of total return and income available for distribution (actual vs forecast)**

	<b>Stapled Group</b>					
	<b>4Q2014 Actual S\$'000</b>	<b>4Q2014 Forecast <sup>(a)</sup> S\$'000</b>	<b>Inc / (Dec) %</b>	<b>FY2014 Actual S\$'000</b>	<b>FY2014 Forecast <sup>(a)</sup> S\$'000</b>	<b>Inc / (Dec) %</b>
Gross revenue	16,621	15,291	8.7	61,740	58,255	6.0
Property expenses	(5,601)	(5,146)	8.8	(20,987)	(20,167)	4.1
<b>Net property income</b>	<b>11,020</b>	<b>10,145</b>	<b>8.6</b>	<b>40,753</b>	<b>38,088</b>	<b>7.0</b>
Rental support / rental arrangement	2,931	3,104	(5.6)	12,449	14,443	(13.8)
REIT Manager's fees	(1,042)	(1,050)	(0.8)	(4,105)	(4,128)	(0.6)
REIT Trustee's fees	(45)	(45)	-	(180)	(180)	-
Amortisation of intangible assets	(1,050)	(1,050)	-	(4,200)	(4,200)	-
Other trust expenses	(92)	(373)	(75.3)	(729)	(1,504)	(51.5)
Finance income	34	13	161.5	42	51	(17.6)
Finance expenses	(3,747)	(2,660)	40.9	(11,731)	(10,640)	10.3
<b>Net income</b>	<b>8,009</b>	<b>8,084</b>	<b>(0.9)</b>	<b>32,299</b>	<b>31,930</b>	<b>1.2</b>
Change in fair value of investment properties	14,121	-	n.m	14,121	-	n.m
Change in fair value of derivative financial instruments	794	-	n.m	1,166	-	n.m
<b>Total return before income tax</b>	<b>22,924</b>	<b>8,084</b>	<b>183.6</b>	<b>47,586</b>	<b>31,930</b>	<b>49.0</b>
Income tax expense	(412)	(532)	(22.6)	(1,791)	(2,302)	(22.2)
<b>Total return after income tax</b>	<b>22,512</b>	<b>7,552</b>	<b>198.1</b>	<b>45,795</b>	<b>29,628</b>	<b>54.6</b>
Net tax adjustments	(12,178)	2,950	n.m	(4,832)	11,656	n.m
<b>Net income available for distribution for the period / year</b>	<b>10,334</b>	<b>10,502</b>	<b>(1.6)</b>	<b>40,963</b>	<b>41,284</b>	<b>(0.8)</b>

**Notes:**

- (a) The forecast results are derived from the corresponding period of the full year projection for 2014 as disclosed in the Prospectus.
- (b) n.m – not meaningful.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**9(b) A review of the performance**

**1 4Q2014 actual vs forecast**

1(a) The actual gross revenue of S\$16.6 million for 4Q2014 was S\$1.3 million or 8.7% higher than the forecast mainly due to:

- higher actual rental contribution from new tenancies in respect of business park space at UEBH, which was S\$0.7 million higher than the forecast;
- the effect of recognising higher accounting income on a straight-line basis over the contracted lease term of the respective leases, which amounted to S\$0.2 million; and
- additional rental contribution of S\$1.3 million from two investment properties, namely Jackson Square and Jackson Design Hub, which were acquired by VI-REIT on 21 November 2014;
- partially offset by lower actual revenue derived from TPCC, which was S\$0.9 million lower than the forecast, as the actual occupancy rate at TPCC was below the forecast. The underperformance of TPCC was largely due to the preparations ahead of the proposed asset enhancement initiative ("AEI") where certain lettable areas, which will be affected by the proposed AEI, were not marketed to potential tenants.

1(b) The actual income from rental support / rental arrangement of S\$2.9 million for 4Q2014 was S\$0.2 million or 5.6% lower than the forecast mainly due to the actual net property income derived from UEBH for 4Q2014 was higher than the forecast and as a result, the actual amount of rental top-up under the UEBH rental arrangement for 4Q2014 was S\$0.7 million lower than the forecast.

However, this was partially offset by the higher-than-forecast rental support due to the following:

- the actual gross rental income derived from TPCC for 4Q2014 was lower than the forecast as mentioned in 1(a) above and as a result, the actual amount of rental top-up under the TPCC rental support arrangement for 4Q2014 was S\$0.3 million higher than the forecast; and
- the additional rental top-up of S\$0.2 million under the JS rental support arrangement provided by the vendor of Jackson Square, which was acquired by VI-REIT on 21 November 2014.

1(c) The actual other trust expenses of S\$0.1 million for 4Q2014 were S\$0.3 million or 75.3% lower than the forecast mainly due to lower professional fees incurred.

1(d) The actual finance expenses of S\$3.7 million for 4Q2014 were S\$1.1 million or 40.9% higher than the forecast mainly due to the interest expense on the S\$100.0 million in principal amount of MTN issued on 19 September 2014.

1(e) As disclosed in note (i) on page 6 of this announcement, the Stapled Group has made income tax provision in respect of the rental income support arising from the UEBH rental arrangement for 4Q2014. As the actual amount of rental top-up under the UEBH rental arrangement for 4Q2014 was lower than the forecast as mentioned in 1(b) above, the actual income tax expense of S\$0.4 million for 4Q2014 was S\$0.1 million or 22.6% lower than the forecast.

1(f) The actual net income available for distribution for 4Q2014 was 1.6% lower than the forecast.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**2**     **FY2014 actual vs forecast**

2(a)    The actual gross revenue of S\$61.7 million for FY2014 was S\$3.5 million or 6.0% higher than the forecast mainly due to:

- higher actual rental contribution from new tenancies in respect of business park space at UEBH, which was S\$3.3 million higher than the forecast;
- the effect of recognising higher accounting income on a straight-line basis over the contracted lease term of the respective leases, which amounted to S\$1.3 million;
- additional rental contribution of S\$1.3 million from two investment properties, namely Jackson Square and Jackson Design Hub, which were acquired by VI-REIT on 21 November 2014;
- partially offset by lower actual revenue derived from TPCC, which was S\$2.4 million lower than the forecast, as the actual occupancy rate at TPCC was below the forecast. The underperformance of TPCC was largely due to the preparations ahead of the proposed AEI where certain lettable areas, which will be affected by the proposed AEI, were not marketed to potential tenants.

2(b)    The actual income from rental support / rental arrangement of S\$12.4 million for FY2014 was S\$2.0 million or 13.8% lower than the forecast mainly due to the actual net property income derived from UEBH for FY2014 was higher than the forecast and as a result, the actual amount of rental top-up under the UEBH rental arrangement for FY2014 was S\$2.8 million lower than the forecast.

However, this was partially offset by the higher-than-forecast rental support due to the following:

- the actual gross rental income derived from TPCC for FY2014 was lower than the forecast as mentioned in 2(a) above and as a result, the actual amount of rental top-up under the TPCC rental support arrangement for FY2014 was S\$0.6 million higher than the forecast; and
- the additional rental top-up of S\$0.2 million under the JS rental support arrangement provided by the vendor of Jackson Square, which was acquired by VI-REIT on 21 November 2014.

2(c)    The actual other trust expenses of S\$0.7 million for FY2014 were S\$0.8 million or 51.5% lower than the forecast mainly due to lower professional fees incurred.

2(d)    As disclosed in note (i) on page 6 of this announcement, the Stapled Group has made income tax provision in respect of the rental income support arising from the UEBH rental arrangement for FY2014. As the actual amount of rental top-up under the UEBH rental arrangement for FY2014 was lower than the forecast as mentioned in 2(b) above, the actual income tax expense of S\$1.8 million for FY2014 was S\$0.5 million or 22.2% lower than the forecast.

2(e)    The actual net income available for distribution for FY2014 was 0.8% lower than the forecast.

**10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

According to Ministry of Trade and Industry (“MTI”), based on advance estimates, the Singapore economy grew by 1.5% on a year-on-year basis in the fourth quarter of 2014, compared to 2.8% in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.6%, slower than the 3.1% expansion in the previous quarter. For the whole of 2014, the economy is estimated to have grown by 2.8% which is in line with MTI’s earlier announced growth forecast of around 3.0%<sup>1</sup>.

According to Colliers International, activity level in the industrial leasing segment remained healthy in 4Q2014. Apart from renewals, there were some space commitments by firms expanding their businesses or setting up new manufacturing facilities. Leasing interest also continued to stem from firms in the growth industries, such as biomedical and clean technology. Moving into 2015, the outlook of the industrial property market is expected to be mixed, taking into account the fragile global economic outlook and lingering risks, such as potential global Ebola outbreak and repercussions from plunging oil prices. On the leasing front, rents for properties with higher building specifications, such as those located within business parks, and independent high-specs buildings, could see some upside potential due mainly to a tightening in supply<sup>2</sup>. Business parks and high-specs space are also expected to benefit from the increase in office rents, which may drive tenants who also qualify for industrial space to look to more affordable alternatives.<sup>3</sup>

Moving forward, businesses in Singapore remain cautious amid mounting concerns over an intensification of global political headwinds and softer regional demand in the externally-oriented sector. According to the Singapore Commercial Credit Bureau’s latest Business Optimism Index (“BOI”) study, BOI tumbled from +10.79 percentage points in Q4 2014 to +1.11 percentage points in Q1 2015. This marks the second lowest BOI score in two years since Q1 2013 when BOI fell into the contractionary region at -0.82 percentage point<sup>4</sup>. Such cautious business sentiments in Singapore may affect demand for industrial space and pose challenges in 2015.

VI-REIT has, on 21 November 2014, completed the acquisition of the two Jackson properties located at 11 Lorong 3 Toa Payoh and 29 Tai Seng Street. The acquisition has further strengthened VIT’s presence in Singapore market with a property portfolio of S\$852.7 million as at 31 December 2014. VIT’s property portfolio was further diversified with the addition of light industrial assets to its existing portfolio. The acquisition of the two Jackson properties is yield accretive and is expected to contribute positively to VIT’s distribution per Stapled Security from 1Q2015 onwards. The REIT Manager will continue to actively pursue investment opportunities for good quality assets that will deliver stable distribution and maximize returns to Stapled Securityholders.

Asset Enhancement Initiative (“AEI”) at TPCC

The AEI at TPCC relates to the proposed conversion of a portion of the existing space to certain “white” uses within the allowable “white” quantum for business park.

The REIT Manager is working closely with the relevant authorities to finalise the AEI plan and obtain the necessary approvals for the AEI while actively engaging with potential anchor tenants to take up the “white” space resulting from the AEI.

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<sup>1</sup> “Singapore’s GDP Grew by 1.5 Per Cent in Fourth Quarter of 2014”, Press Release, Ministry of Trade and Industry Singapore, 02 January 2015

<sup>2</sup> “A year of weak sales and healthy leasing activity”, Research & Forecast Report, Singapore Industrial 4Q 2014, Colliers International

<sup>3</sup> “Outlook for Singapore’s Industrial Property Market This Year Continues to be Mixed”, Media Centre, News Release Library, Colliers International, 12 January 2015

<sup>4</sup> “Singapore ‘s business optimism dives to near-contractionary levels in Q 1 2015: SCCB”, The Business Times, 12 January 2015

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**11 Distributions**

**11(a) Current financial period**

Any distribution declared for the current period?

Yes.

Name of distribution: Distribution for the period from 2 December 2014 to 31 December 2014

Distribution type: Taxable income / tax-exempt income

Distribution rate: 0.606 cents per Stapled Security comprising:  
(a) taxable income - 0.502 cents  
(b) tax exempt income - 0.104 cents

Tax Rate: Taxable income distribution  
The distribution is made out of VI-REIT's taxable income. Stapled Securityholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their Stapled Securities through partnership or as trading assets).

Tax exempt income distribution  
The distribution is made out of income that has been taxed on VI-REIT's trustee and will be exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. Stapled Securityholders are not entitled to claim tax credit against their Singapore income tax liability in respect of the tax paid at VI-REIT's trustee level.

Name of distribution: Distribution for the period from 1 October 2014 to 1 December 2014 (paid on 23 December 2014)

Distribution type: Taxable income / tax-exempt income

Distribution rate: 1.095 cents per Stapled Security comprising:  
(a) taxable income - 0.868 cents  
(b) tax exempt income - 0.227 cents

Tax Rate: Taxable income distribution  
The distribution is made out of VI-REIT's taxable income. Stapled Securityholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their Stapled Securities through partnership or as trading assets).

Tax exempt income distribution  
The distribution is made out of income that has been taxed on VI-REIT's trustee and will be exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. Stapled Securityholders are not entitled to claim tax credit against their Singapore income tax liability in respect of the tax paid at VI-REIT's trustee level.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**11(b) Corresponding period of the immediately preceding financial year**

Any distributions declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of distribution: Distribution for the period from 4 November 2013 to 31 December 2013

Distribution type: Taxable income / tax-exempt income

Distribution rate: 1.080 cents per Stapled Security comprising:  
(a) taxable income - 0.774 cents  
(b) tax exempt income - 0.306 cents

Tax Rate: Taxable income distribution  
The distribution is made out of VI-REIT's taxable income. Stapled Securityholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their Stapled Securities through partnership or as trading assets).

Tax exempt income distribution  
The distribution is made out of income that has been taxed on VI-REIT's trustee and will be exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. Stapled Securityholders are not entitled to claim tax credit against their Singapore income tax liability in respect of the tax paid at VI-REIT's trustee level.

**11(c) Books closure date:** 3 February 2015

**11(d) Date Payable:** 27 February 2015

**12 If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

**13 If the Stapled Group has obtained a general mandate from Stapled Securityholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Stapled Group has not obtained a general mandate from its Stapled Securityholders for IPTs.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**Additional information required for full year announcement**

**14 Segment revenue and results**

<b>Stapled Group</b>					
<b>FY2014</b>					
	<b>Business Park</b>	<b>Hotel</b>	<b>Logistics</b>	<b>Light Industrial</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Gross revenue	49,114	9,421	1,917	1,288	61,740
Property expenses	(20,326)	(356)	(41)	(264)	(20,987)
<b>Net property income</b>	<b>28,788</b>	<b>9,065</b>	<b>1,876</b>	<b>1,024</b>	<b>40,753</b>
Rental support / rental arrangement	12,164	39	-	246	12,449
<b>Reportable segment results</b>	<b>40,952</b>	<b>9,104</b>	<b>1,876</b>	<b>1,270</b>	<b>53,202</b>
Unallocated items:					
- REIT Manager's fees					(4,105)
- REIT Trustee's fees					(180)
- Amortisation of intangible assets					(4,200)
- Other trust expenses					(729)
- Finance income					42
- Finance expenses					(11,731)
<b>Net income</b>					<b>32,299</b>
Change in fair value of investment properties					14,121
Change in fair value of derivative financial instruments					1,166
<b>Total return for the year before income tax</b>					<b>47,586</b>
Income tax expense					(1,791)
<b>Total return for the year after income tax</b>					<b>45,795</b>



**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

<b>Stapled Group</b>					
<b>4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup></b>					
	<b>Business Park</b>	<b>Hotel</b>	<b>Logistics</b>	<b>Light Industrial</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Gross revenue	7,215	1,500	302	-	9,017
Property expenses	(2,951)	(56)	(6)	-	(3,013)
<b>Net property income</b>	<b>4,264</b>	<b>1,444</b>	<b>296</b>	<b>-</b>	<b>6,004</b>
Rental support / rental arrangement	2,470	-	-	-	2,470
<b>Reportable segment results</b>	<b>6,734</b>	<b>1,444</b>	<b>296</b>	<b>-</b>	<b>8,474</b>
Unallocated items:					
- REIT Manager's fees					(642)
- REIT Trustee's fees					(33)
- Amortisation of intangible assets					(665)
- Other trust expenses					(224)
- Finance expenses					(1,681)
<b>Net income</b>					<b>5,229</b>
Change in fair value of investment properties					(2,556)
Change in fair value of derivative financial instruments					(1,488)
<b>Total return for the period before income tax</b>					<b>1,185</b>
Income tax expense					(382)
<b>Total return for the period after income tax</b>					<b>803</b>

**Note:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.

**15 Breakdown of revenue**

<b>Stapled Group</b>			
	<b>FY2014</b>	<b>4 Nov 2013 to</b>	<b>Inc /</b>
	<b>S\$'000</b>	<b>31 Dec 2013 <sup>(a)</sup></b>	<b>(Dec)</b>
		<b>S\$'000</b>	<b>%</b>
Gross revenue reported for first half year	30,183	-	n.m
Total return after income tax for first half year	15,337	-	n.m
Gross revenue reported for second half year	31,557	9,017	250
Total return after income tax for second half year	30,458	803	3,693

n.m – Not meaningful

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**Note:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.

**16 Breakdown of the total distributions for the financial year ended 31 December 2014**

**Annual distributions to Stapled Securityholders:**

	<b>FY2014 S\$'000</b>
1 Oct 2014 to 1 Dec 2014 <sup>(a)</sup>	6,573
1 Jul 2014 to 30 Sep 2014	10,098
1 Apr 2014 to 30 Jun 2014	10,284
1 Jan 2014 to 31 Mar 2014	10,247
4 Nov 2013 to 31 Dec 2013	6,415
Total distributions to Stapled Securityholders	<b>43,617</b>

**Note:**

- (a) 4Q2014 advanced distribution was paid on 23 December 2014 pursuant to a private placement completed on 2 December 2014.

**17 Confirmation pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the Board of Directors of the REIT Manager and the BT Trustee-Manager confirms that there are no persons occupying managerial positions in the REIT Manager or the BT Trustee-Manager who are relatives of a Director or the Chief Executive Officer or a substantial shareholder of the REIT Manager or the BT Trustee-Manager or of a substantial Stapled Securityholder of VIT.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

**18 Interested person transactions (“IPTs”)**

Name of Interested Person / Party	Stapled Group	
	Aggregate value of all IPTs during the financial period under review	
	FY2014 S\$'000	4 Nov 2013 to 31 Dec 2013 <sup>(a)</sup> S\$'000
<b>Viva Industrial Trust Management Pte Ltd (the “REIT Manager”)</b>		
Management fees paid and payable	4,105	642
Acquisition fee paid in relation to the acquisition of investment properties	1,080	7,110
<b>Viva Real Estate Asset Management Pte Ltd (the “Property Manager”) (Note (b))</b>		
Property and lease management fees paid and payable	1,393	202
Marketing commission paid and payable	577	-
<b>The Trust Company (Asia) Limited (the “Trustee”)</b>		
Trustee fees paid and payable	180	33
<b>Ho Seng Lee Industries Pte Ltd (Related party of the REIT Manager) (Note (c))</b>		
Rental income received and receivable	1,830	290
Acquisition of an investment property	-	28,000

**Notes:**

- (a) Although VI-REIT and VI-BT were constituted on 23 August 2013 and 14 October 2013 respectively, the IPO and issue of new Stapled Securities in VIT and the acquisition of the Initial Properties were completed on the Listing Date. There were no income or expenses for the period from the respective dates of constitution of VI-REIT and VI-BT to 3 November 2013. This was the first period incorporating the results of the Initial Properties held by VI-REIT.
- (b) The Property Manager is a related corporation of the REIT Manager.
- (c) Ho Seng Lee Industries Pte Ltd, which is a wholly-owned subsidiary of Ho Lee Group Pte Ltd (“HLG”), is related to the REIT Manager by virtue of HLG’s indirect equity interest in the REIT Manager of 25%.

There were no IPTs conducted under Stapled Securityholders’ mandate pursuant to Rule 920 of the SGX-ST Listing Manual during the financial periods under review.

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**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the fourth quarter and financial year ended 31 December 2014**

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**19 Use of Proceeds**

With reference to our announcement dated 11 December 2014, the gross proceeds of S\$15.6 million raised from the private placement completed on 2 December 2014 have been fully utilised to partially repay VIT's outstanding revolving credit facility. The aforementioned use of proceeds is in accordance with the intended use and allocation of the gross proceeds from the private placement as stated in our announcement dated 21 November 2014.

By Order of the Board  
Wilson Ang Poh Seong  
Chief Executive Officer

Viva Industrial Trust Management Pte. Ltd.  
(Company Registration No. 201204203W)  
As manager of Viva Industrial Real Estate Investment Trust

Viva Asset Management Pte. Ltd.  
(Company Registration No. 201316690M)  
As trustee-manager of Viva Industrial Business Trust

26 January 2015

**IMPORTANT NOTICE**

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any Stapled Securities of VIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Stapled Securities and the income derived from them may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by the Managers, The Trust Company (Asia) Limited (as trustee of VI-REIT) or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of VIT. The forecast financial performance of VIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.