



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.

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.

As at 31 December 2015, VI-REIT has a diversified portfolio of seven properties located in Singapore comprising:

- two business parks, namely UE BizHub EAST (“**UEBH**”) which includes a hotel, and Viva Business Park (“**VBP**”) (formerly known as Technopark@Chai Chee);
- a logistics property, namely Mauser Singapore; and
- four light industrial properties, namely Jackson Square (“**JS**”), Jackson Design Hub (“**JDH**”), Home-Fix Building (“**HFB**”) and 11 Ubi Road 1 (“**11 Ubi Road 1**”).

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 the 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

VI-REIT’s distribution policy is to distribute 100% of its distributable income for the period from the Listing Date to 31 December 2015 and thereafter, to distribute at least 90% of its distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

As at 31 December 2015, VI-BT remains inactive. 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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Summary of results of Viva Industrial Trust

	Stapled Group				
	4Q2015 Actual S\$'000	4Q2014 Actual S\$'000	Variance %	4Q2015 Forecast^(a) S\$'000	Variance %
	Gross revenue	19,702	16,621	18.5%	15,717
Net property income	13,725	11,020	24.5%	10,431	31.6%
Distributable income ^(b)	12,463	10,336	20.6%	10,913	14.2%
Distribution per Stapled Security ^(c) (cents)	1.634 ^(d)	1.701	-3.9%	1.790	-8.7%

	Stapled Group				
	FY2015 Actual S\$'000	FY2014 Actual S\$'000	Variance %	FY2015 Forecast^(a) S\$'000	Variance %
	Gross revenue	73,989	61,740	19.8%	61,551
Net property income	50,838	40,753	24.7%	40,751	24.8%
Distributable income ^(b)	47,478	40,967	15.9%	42,777	11.0%
Distribution per Stapled Security ^(c) (cents)	7.000 ^(d)	6.833	2.4%	7.030	-0.4%

Notes:

- (a) The forecast results are derived from the corresponding period of the full year projection for 2015 as disclosed in VIT's initial public offering prospectus dated 28 October 2013 (the "**Prospectus**"). Please refer to section 9 on page 22 of this announcement for the detailed comparison between the actual and forecast results for 4Q2015 and FY2015.
- (b) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. 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 20 of this announcement for the calculation of Distribution per Stapled Security.
- (d) Distribution per Stapled Security for 4Q2015 and FY2015 did not increase proportionately with the increase in distributable income for 4Q2015 and FY2015, respectively. This was mainly due to the dilutive effect of an increase in the number of issued Stapled Securities as a result of the issuance of approximately 233.4 million new Stapled Securities pursuant to two private placements and a preferential offering completed in FY2015 to partially fund (i) the acquisition of three properties, namely HFB, 11 Ubi Road 1 and 30 Pioneer Road ("**30 Pioneer Road**"); and (ii) the asset enhancement initiative ("**AEI**") project at VBP.

The acquisition of HFB and 11 Ubi Road 1 was completed on 24 November 2015 and thereafter, they have started to contribute additional income to VIT. The acquisition of 30 Pioneer Road is expected to be completed in 1Q2016 and thereafter, it will start to contribute additional income to VIT. The AEI project at VBP is expected to be completed in stages by 3Q2016 and will progressively contribute additional income to VIT starting from 1Q2016.

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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 2015 ("4Q2015")

	Note	4Q2015			4Q2014			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	(a)	19,702	19,702	-	16,621	16,621	-	18.5	18.5	-
Property expenses	(b)	(5,977)	(5,977)	-	(5,601)	(5,601)	-	6.7	6.7	-
Net property income		13,725	13,725	-	11,020	11,020	-	24.5	24.5	-
Rental support / rental arrangement	(a)	3,150	3,150	-	2,931	2,931	-	7.5	7.5	-
REIT Manager's fees	(c)	(1,546)	(1,546)	-	(1,042)	(1,042)	-	48.4	48.4	-
REIT Trustee's fees		(45)	(45)	-	(45)	(45)	-	-	-	-
Amortisation of intangible assets	(d)	(908)	(908)	-	(1,050)	(1,050)	-	(13.5)	(13.5)	-
Other trust expenses	(e)	(198)	(196)	(2)	(92)	(90)	(2)	115.2	117.8	-
Finance income		11	11	-	34	34	-	(67.6)	(67.6)	-
Finance expenses	(f)	(4,252)	(4,252)	-	(3,747)	(3,747)	-	13.5	13.5	-
Net income		9,937	9,939	(2)	8,009	8,011	(2)	24.1	24.1	-
Change in fair value of investment properties	(g)	14,741	14,741	-	14,121	14,121	-	4.4	4.4	-
Change in fair value of derivative financial instruments	(h)	244	244	-	794	794	-	(69.3)	(69.3)	-
Total return before income tax		24,922	24,924	(2)	22,924	22,926	(2)	8.7	8.7	-
Income tax expense	(i)	(523)	(523)	-	(412)	(412)	-	26.9	26.9	-
Total return after income tax		24,399	24,401	(2)	22,512	22,514	(2)	8.4	8.4	-

n.m. – not meaningful

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Notes:

- (a) The breakdown of gross revenue and rental differential derived from each property in 4Q2015, and the occupancy rate and weighted average lease expiry ("WALE") of each property as at 31 December 2015 are as follows:

	Stapled Group					
	4Q2015				4Q2014	
	Gross revenue S\$'000	Rental differential S\$'000	Occupancy rate %	WALE ⁽¹⁾ Years	Gross revenue S\$'000	Rental Differential S\$'000
VBP	7,039	-	68	1.7	6,622	254
UEBH - Business Park	5,892	2,623	88	4.2	5,892	2,410
UEBH - Hotel Leased Premises	2,138	-	100	2.8	2,138	-
UEBH - Hotel Retail Areas	204	19	87	1.3	202	21
Mauser Singapore	479	-	100	3.4	479	-
JS	2,392	508	99	1.8	1,043	246
JDH	489	-	100	8.9	245	-
HFB	329	-	100	9.9	-	-
11 Ubi Road 1	740	-	100	9.9	-	-
	19,702	3,150			16,621	2,931

Note:

- (1) WALE is calculated based on the underlying committed gross rental income as at 31 December 2015 assuming renewal options are not exercised.

Gross revenue of S\$19.7 million for 4Q2015 was S\$3.1 million or 18.5% higher than that of 4Q2014 mainly due to:

- higher rental contribution of S\$1.6 million from JS and JDH, which were acquired by VI-REIT on 21 November 2014;
- additional rental contribution of S\$1.1 million from HFB and 11 Ubi Road 1, which were acquired by VI-REIT on 24 November 2015; and
- higher rental and other income contribution from VBP by S\$0.4 million.

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

- the UEBH rental arrangement, pursuant to which the vendor of UEBH 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 an agreed amount of S\$26 million per annum for each of the first two years, with a step-up of 5% in each of the third and fifth year) for a duration of five years from the Listing Date;
- the VBP rental support arrangement, pursuant to which the vendor of VBP agreed to pay VI-REIT for the rental differential (where the actual gross rental income derived from VBP 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, which has been fully utilised by VI-REIT in 3Q2015; and
- the JS rental support arrangement, pursuant to which the vendor of JS agreed to pay VI-REIT for the rental differential where the actual aggregate gross rental income derived from JS is less than S\$58 million over the period of five years commencing from the date of acquisition of JS on 21 November 2014.

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Income from rental support / rental arrangement of S\$3.2 million for 4Q2015 was S\$0.2 million or 7.5% higher than that of 4Q2014 mainly due to:

- higher rental top-up under the UEBH rental arrangement by S\$0.2 million as a result of lower net rental income derived from UEBH; and
- higher rental top-up under the JS rental support arrangement by S\$0.3 million as a result of rental top-up for the full quarter in 4Q2015 as compared to 4Q2014 where the acquisition of JS was completed on 21 November 2014;
- partially offset by the absence of rental top-up under the VBP rental support arrangement of S\$0.3 million due to the expiry of the VBP rental support arrangement as the aggregate rental support capped at S\$2.3 million has been fully utilised by VI-REIT in 3Q2015.

(b) Property expenses of S\$6.0 million for 4Q2015 was S\$0.4 million or 6.7% higher than that of 4Q2014 mainly due to:

- higher property expenses of S\$0.3 million pertaining to JS as a result of property expenses incurred for the full quarter in 4Q2015 as compared to 4Q2014 where the acquisition of JS was completed on 21 November 2014; and
- additional property expenses of S\$0.1 million pertaining to 11 Ubi Road 1, which was acquired on 24 November 2015.

(c) This comprises the REIT Manager's base fee ("**Base Fee**"), which is calculated based on 10% per annum of the distributable income of VI-REIT (before accounting for the Base Fee) and the REIT Manager's performance fee ("**Performance Fee**"), which is calculated based on 25% per annum of the difference in the Distribution per Stapled Security ("**DPS**") of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The REIT Manager's fees of S\$1.5 million for 4Q2015 were S\$0.5 million or 48.4% higher than that of 4Q2014 due to:

- higher Base Fee of S\$0.2 million due to the increase in distributable income of VI-REIT as a result of (i) higher income contributions from JS and JDH in 4Q2015; and (ii) additional income contributions from HFB and 11 Ubi Road 1, which were acquired in November 2015; and
- Performance Fee of S\$0.3 million, which was absent in 4Q2014.

(d) This relates to the amortisation of the rental differential to be provided to VI-REIT by the respective vendors of UEBH and VBP pursuant to the UEBH rental arrangement and VBP rental support arrangement, respectively as described in note (a) above. Such rental differential is amortised on a straight line basis over the duration of the UEBH rental arrangement and VBP rental support arrangement of five years and two years from the Listing Date, respectively. The rental differential arising from the VBP rental support arrangement has been fully amortised in November 2015 and as a result, the amortisation charge for 4Q2015 was lower than that of 4Q2014 by S\$0.1 million or 13.5%.

(e) Other trust expenses include recurring expenses such as annual listing fee, registrar and secretarial fees, distribution related costs, audit and tax compliance fees, valuation fees, costs associated with the preparation of annual reports, investor relations costs and other miscellaneous costs. Other trust expenses of S\$0.2 million for 4Q2015 were S\$0.1 million or 115.2% higher than that of 4Q2014 mainly due to higher professional fees and investor relations costs incurred.

(f) Finance expenses include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S\$4.3 million for 4Q2015 was S\$0.5 million or 13.5% higher than that of 4Q2014 mainly due to additional interest expense of S\$0.3 million incurred on the S\$73.0 million secured term loan, which was drawn down in November 2015 to partially fund the acquisition of HFB and 11 Ubi Road 1.

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- (g) This relates to unrealised gain on revaluation of the investment properties as at 31 December 2015, the details of which are as shown below:

	Note	S\$'000
Carrying value of investment properties as at 1 October 2015		962,369
Acquisition of investment properties		136,252
Acquisition related costs		1,463
Capital expenditure incurred		8,375
		1,108,459
Change in fair value of investment properties recognised in the consolidated statement of total return		
	(1)	14,741
Fair value of investment properties as at 31 December 2015		1,123,200

- (1) Includes a fair value gain of S\$16.7 million arising from the revaluation of VBP at S\$330.0 million by Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**") as at 31 December 2015 as a result of the AEI carried out at VBP which entails the conversion of certain industrial space to "white" space for commercial and retail use. Based on Colliers' valuation report, upon completion of the AEI which is expected to be in 3Q2016, the fair value of VBP is estimated to be S\$380.0 million.

- (h) This relates to the change in fair value of interest rate swaps entered into to fix the interest rates for a substantial portion of the Stapled Group's floating rate 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) As the rental income support received/receivable under the UEBH rental arrangement and the JS rental support arrangement is not accorded the tax transparency treatment by the Inland Revenue Authority of Singapore ("**IRAS**"), the Stapled Group has recognised income tax expense in respect of such rental income support. 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 received/receivable under the UEBH rental arrangement and the JS rental support arrangement. Further announcements will be made on the SGXNET when there are further developments on this matter.

Income tax expense of S\$0.5 million for 4Q2015 was S\$0.1 million or 26.9% higher than that of 4Q2014 mainly due to higher rental top-up received/receivable under the UEBH rental arrangement and the JS rental support arrangement in 4Q2015.

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1(a)(ii) Distribution Statement

Note	4Q2015		4Q2014		Inc / (Dec)	
	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group %	VI-REIT Group %
Total return after income tax	24,399	24,401	22,512	22,514	8.4	8.4
Net tax adjustments (Note A)	(11,938)	(11,938)	(12,178)	(12,178)	(2.0)	(2.0)
Net income available for distribution for the period	12,461	12,463	10,334	10,336	20.6	20.6
Distribution per Stapled Security (cents):						
For the period		1.634		1.701		(3.9)
Annualised		6.483		6.749		(3.9)

Notes:

- (a) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.
- (b) Please refer to section 6 on page 20 of this announcement for the calculation of Distribution per Stapled Security.

Note A

	4Q2015		4Q2014		Inc / (Dec)	
	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group %	VI-REIT Group %
Net tax adjustments comprise:						
REIT Manager's fees payable in Stapled Securities	1,374	1,374	963	963	42.7	42.7
Property Manager's fees payable in Stapled Securities	390	390	347	347	12.4	12.4
REIT Trustee's fees	45	45	45	45	-	-
Adjustment for recognising rental income on a straight-line basis over the lease term	(237)	(237)	(227)	(227)	4.4	4.4
Amortisation of intangible assets	908	908	1,050	1,050	(13.5)	(13.5)
Amortisation of debt-related transaction costs	540	540	520	520	3.8	3.8
Change in fair value of investment properties	(14,741)	(14,741)	(14,121)	(14,121)	4.4	4.4
Change in fair value of derivative financial instruments	(244)	(244)	(794)	(794)	(69.3)	(69.3)
Other non-taxable items	27	27	39	39	(30.8)	(30.8)
Net tax adjustments	(11,938)	(11,938)	(12,178)	(12,178)	(2.0)	(2.0)

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1(a)(iii) Consolidated Statement of Total Return for the financial year ended 31 December 2015 (“FY2015”)

	Note	FY2015			FY2014			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	(a)	73,989	73,989	-	61,740	61,740	-	19.8	19.8	-
Property expenses	(b)	(23,151)	(23,151)	-	(20,987)	(20,987)	-	10.3	10.3	-
Net property income		50,838	50,838	-	40,753	40,753	-	24.7	24.7	-
Rental support / rental arrangement	(a)	13,540	13,540	-	12,449	12,449	-	8.8	8.8	-
REIT Manager's fees	(c)	(5,099)	(5,099)	-	(4,105)	(4,105)	-	24.2	24.2	-
REIT Trustee's fees		(180)	(180)	-	(180)	(180)	-	-	-	-
Amortisation of intangible assets	(d)	(4,057)	(4,057)	-	(4,200)	(4,200)	-	(3.4)	(3.4)	-
Other trust expenses	(e)	(845)	(838)	(7)	(729)	(725)	(4)	15.9	15.6	75.0
Finance income		15	15	-	42	42	-	(64.3)	(64.3)	-
Finance expenses	(f)	(15,604)	(15,604)	-	(11,731)	(11,731)	-	33.0	33.0	-
Net income		38,608	38,615	(7)	32,299	32,303	(4)	19.5	19.5	75.0
Change in fair value of investment properties	(g)	61,123	61,123	-	14,121	14,121	-	332.9	332.9	-
Change in fair value of derivative financial instruments	(h)	2,636	2,636	-	1,166	1,166	-	126.1	126.1	-
Total return before income tax		102,367	102,374	(7)	47,586	47,590	(4)	115.1	115.1	75.0
Income tax expense	(i)	(2,227)	(2,227)	-	(1,791)	(1,791)	-	24.3	24.3	-
Total return after income tax		100,140	100,147	(7)	45,795	45,799	(4)	118.7	118.7	75.0

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Notes:

- (a) The breakdown of gross revenue and rental differential derived from each property in FY2015 are as follows:

	Stapled Group			
	FY2015		FY2014	
	Gross revenue S\$'000	Rental differential S\$'000	Gross revenue S\$'000	Rental differential S\$'000
VBP	26,948	510	25,880	1,565
UEBH - Business Park	23,531	10,382	23,234	10,599
UEBH - Hotel Leased Premises	8,550	-	8,550	-
UEBH - Hotel Retail Areas	889	3	871	39
Mauser Singapore	1,916	-	1,917	-
JS	8,955	2,645	1,043	246
JDH	2,131	-	245	-
HFB	329	-	-	-
11 Ubi Road 1	740	-	-	-
	73,989	13,540	61,740	12,449

Gross revenue of S\$74.0 million for FY2015 was S\$12.2 million or 19.8% higher than that of FY2014 mainly due to:

- additional rental contribution of S\$9.8 million from JS and JDH, which were acquired by VI-REIT on 21 November 2014;
- additional rental contribution of S\$1.1 million from HFB and 11 Ubi Road 1, which were acquired by VI-REIT on 24 November 2015;
- higher rental contribution from the business park space at UEBH by S\$0.3 million; and
- higher rental contribution from VBP by S\$1.1 million.

Income from rental support / rental arrangement of S\$13.5 million for FY2015 was S\$1.1 million or 8.8% higher than that of FY2014 mainly due to:

- higher rental top-up under the JS rental support arrangement by S\$2.4 million as a result of rental top-up for the full year in FY2015 as compared to FY2014 where the acquisition of JS was completed on 21 November 2014; partially offset by,
 - lower rental top-up under the UEBH rental arrangement by S\$0.2 million as a result of higher net rental income derived from UEBH; and
 - lower rental top-up under the VBP rental support arrangement by S\$1.1 million as a result of (i) higher gross rental income derived from VBP; and (ii) the expiry of the VBP rental support arrangement as the aggregate rental support capped at S\$2.3 million has been fully utilised by VI-REIT in 3Q2015.

- (b) Property expenses of S\$23.2 million for FY2015 was S\$2.2 million or 10.3% higher than that of FY2014 mainly due to:

- higher property expenses of S\$2.1 million pertaining to JS as a result of property expenses incurred for the full year in FY2015 as compared to FY2014 where the acquisition of JS was completed on 21 November 2014; and
- additional property expenses of S\$0.1 million pertaining to 11 Ubi Road 1, which was acquired on 24 November 2015.

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- (c) This comprises the REIT Manager's Base fee, which is calculated based on 10% per annum of the distributable income of VI-REIT (before accounting for the Base Fee) and the REIT Manager's Performance Fee, which is calculated based on 25% per annum of the difference in the DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The REIT Manager's fees of S\$5.1 million for FY2015 were S\$1.0 million or 24.2% higher than that of FY2014 due to:

- higher Base Fee of S\$0.7 million due to the increase in distributable income of VI-REIT as a result of (i) higher income contributions from JS and JDH in FY2015; and (ii) additional income contributions from HFB and 11 Ubi Road 1, which were acquired in November 2015; and
 - Performance Fee of S\$0.3 million, which was absent in FY2014.
- (d) This relates to the amortisation of the rental differential to be provided to VI-REIT by the respective vendors of UEBH and VBP pursuant to the UEBH rental arrangement and VBP rental support arrangement, respectively as described in note (a) on page 4 of this announcement. Such rental differential is amortised on a straight line basis over the duration of the UEBH rental arrangement and VBP rental support arrangement of five years and two years from the Listing Date, respectively. The rental differential arising from the VBP rental support arrangement has been fully amortised in November 2015 and as a result, the amortisation charge for FY2015 was lower than that of FY2014 by S\$0.1 million or 3.4%.
- (e) Other trust expenses include recurring expenses such as annual listing fee, registrar and secretarial fees, distribution related costs, audit and tax compliance fees, valuation fees, costs associated with the preparation of annual reports, investor relations costs and other miscellaneous costs. Other trust expenses of S\$0.8 million for FY2015 were S\$0.1 million or 15.9% higher than that of FY2014 mainly due to higher professional fees and investor relations costs incurred.
- (f) Finance expenses include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S\$15.6 million for FY2015 was S\$3.9 million or 33.0% higher than that of FY2014 mainly due to:
- higher interest expense of S\$3.2 million incurred on the S\$100 million MTN as a result of interest expense incurred for the full year in FY2015 as compared to FY2014 where the MTN was issued in September 2014 to partially fund the acquisition of JS and JDH; and
 - additional interest expense of S\$0.3 million incurred on the S\$73.0 million secured term loan, which was drawn down in November 2015 to partially fund the acquisition of HFB and 11 Ubi Road 1.
- Please refer to the borrowings as disclosed on page 15 of this announcement for further details.
- (g) This relates to an unrealised fair value gain arising from the revaluation of the investment properties as at 31 December 2015. Please refer to note (a) on page 13 of this announcement for further details.
- (h) This relates to the change in fair value of interest rate swaps entered into to fix the interest rates for a substantial portion of the Stapled Group's floating rate borrowings. In accordance with FRS 39 – *Financial Instruments*, the change in fair value of interest rate swaps is recognised in the consolidated statement of total return.
- (i) Income tax expense of S\$2.2 million for FY2015 was S\$0.4 million or 24.3% higher than that of FY2014 mainly due to higher rental top-up received/receivable under the JS rental support arrangement in FY2015.

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1(a) (iv) Distribution Statement

Note	FY2015		FY2014		Inc / (Dec)	
	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group %	VI-REIT Group %
Total return after income tax	100,140	100,147	45,795	45,799	118.7	118.7
Net tax adjustments (Note A)	(52,669)	(52,669)	(4,832)	(4,832)	n.m.	n.m.
Net income available for distribution for the period	47,471	47,478	40,963	40,967	15.9	15.9
Distribution per Stapled Security (cents):						
For the period		7.000		6.833		2.4
Annualised		7.000		6.833		2.4

Notes:

- (a) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.
- (b) Please refer to section 6 on page 20 of this announcement for the calculation of Distribution per Stapled Security.

Note A

	FY2015		FY2014		Inc / (Dec)	
	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group S\$'000	VI-REIT Group S\$'000	Stapled Group %	VI-REIT Group %
Net tax adjustments comprise:						
REIT Manager's fees paid/payable in Stapled Securities	4,412	4,412	4,026	4,026	9.6	9.6
Property Manager's fees paid/payable in Stapled Securities	1,430	1,430	1,355	1,355	5.5	5.5
REIT Trustee's fees	180	180	180	180	-	-
Adjustment for recognising rental income on a straight-line basis over the lease term	(1,243)	(1,243)	(1,279)	(1,279)	(2.8)	(2.8)
Amortisation of intangible assets	4,057	4,057	4,200	4,200	(3.4)	(3.4)
Amortisation of debt-related transaction costs	2,107	2,107	1,853	1,853	13.7	13.7
Change in fair value of investment properties	(61,123)	(61,123)	(14,121)	(14,121)	332.9	332.9
Change in fair value of derivative financial instruments	(2,636)	(2,636)	(1,166)	(1,166)	126.1	126.1
Other non-taxable items	145	145	120	120	20.8	20.8
Net tax adjustments	(52,669)	(52,669)	(4,832)	(4,832)	n.m.	n.m.

n.m. – not meaningful

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1(b) Statement of Financial Position

1(b)(i) Statement of Financial Position as at 31 December 2015

	Note	31 Dec 2015			31 Dec 2014		
		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
Non-current assets							
Investment properties	(a)	1,123,200	1,123,200	-	852,700	852,700	-
Intangible assets	(b)	9,378	9,378	-	13,435	13,435	-
		1,132,578	1,132,578	-	866,135	866,135	-
Current assets							
Trade and other receivables	(c)	14,546	14,546	-	11,423	11,423	-
Derivative financial instruments	(d)	2,314	2,314	-	-	-	-
Cash and cash equivalents	(e)	48,884	48,848	36	4,957	4,928	29
		65,744	65,708	36	16,380	16,351	29
Total assets		1,198,322	1,198,286	36	882,515	882,486	29
Non-current liabilities							
Interest-bearing borrowings	(f)	305,173	305,173	-	365,571	365,571	-
Current liabilities							
Trade and other payables	(g)	35,250	35,245	5	22,881	22,879	2
Interest-bearing borrowings	(f)	154,044	154,044	-	20,456	20,456	-
Derivative financial instruments	(d)	-	-	-	322	322	-
Income tax payable		2,235	2,235	-	1,799	1,799	-
		191,529	191,524	5	45,458	45,456	2
Total liabilities		496,702	496,697	5	411,029	411,027	2
Net assets		701,620	701,589	31	471,486	471,459	27
Represented by:							
Stapled Securityholders' funds		701,620	701,589	31	471,486	471,459	27

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Notes:

- (a) Movements in the carrying value of investment properties during FY2015 are as shown below:

	Note	S\$'000
Carrying value of investment properties as at 1 January 2015		852,700
Acquisition of investment properties		136,252
Acquisition related costs		1,463
Payment of differential premium and stamp duty for VBP	(1)	58,375
Refund of land premium		(56)
Cost of the AEI works at VBP		9,633
Other capital expenditure incurred		3,710
		1,062,077
Change in fair value of investment properties recognised in the consolidated statement of total return	(2)	61,123
Fair value of investment properties as at 31 December 2015		1,123,200

- (1) This relates to the conversion of certain industrial space to "white" space for commercial and retail use.
- (2) Includes a fair value gain of S\$63.0 million arising from the revaluation of VBP at S\$330.0 million by Colliers as at 31 December 2015 as a result of the AEI carried out at VBP which entails the conversion of certain industrial space to "white" space for commercial and retail use. Based on Colliers' valuation report, upon completion of the AEI which is expected to be in 3Q2016, the fair value of VBP is estimated to be S\$380.0 million.
- (b) This represents the carrying amounts of unamortised rental differential to be provided to VI-REIT by the respective vendors of UEBH and VBP pursuant to the UEBH rental arrangement and VBP rental support arrangement, respectively as described in note (d) on page 5 of this announcement. The rental differential arising from the VBP rental support arrangement has been fully amortised in FY2015.

Intangible assets decreased by S\$4.1 million due to amortisation charge for FY2015.

- (c) Increase in trade and other receivables of S\$3.1 million was mainly due to:
- increase in receivables of S\$1.2 million due to the recognition of rental income on a straight-line basis over the lease term of the respective leases;
 - increase in deferred property tax of S\$1.1 million as a result of higher property tax on UEBH and the property tax on the newly acquired properties, namely HFB and 11 Ubi Road 1;
 - net GST receivable of S\$0.5 million due to input GST incurred on the upfront land premium in relation to the aforesaid newly acquired properties; and
 - increase in trade receivables of S\$0.3 million.
- (d) This represents the fair value of interest rate swaps entered into to hedge against fluctuations in interest rates for a substantial portion of the Stapled Group's floating rate borrowings.

During FY2015, the Stapled Group entered into a forward start interest rate swap to fix the interest rate for the entire principal amount of the two secured term loans of S\$135 million each for the last year of their respective tenors. Please refer to the borrowings as disclosed on page 15 of this announcement for further details.

Under the interest rate swaps, the Stapled Group pays interest at fixed rates and receives interest at floating rates based on the SOR. Due to the significant increase in SOR during FY2015, all of the Stapled Group's interest rate swaps have turned from being derivative financial liabilities as at 31 December 2014 to derivative financial assets as at 31 December 2015.

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- (e) Cash and cash equivalents increased by S\$43.9 million as a result of net cash inflow from operating and financing activities of S\$253.3 million, partially offset by net cash used in investing activities of S\$210.4 million during FY2015. Please refer to the consolidated statement of cash flows for FY2015 on page 17 of this announcement for further details.

Included in the cash and cash equivalents as at 31 December 2015 are the remaining unutilised proceeds from the preferential offering completed in December 2015, which will be utilised to partially fund the acquisition of 30 Pioneer Road and the AEI project at VBP.

- (f) Increase in total interest-bearing borrowings of S\$73.2 million was mainly due to:
- drawdown of a S\$73.0 million five-year secured term loan facility to partially fund the acquisition of HFB and 11 Ubi Road 1; and
 - decrease in unamortised debt-related transaction costs of S\$1.2 million;
 - partially offset by the repayment of S\$1.0 million of revolving credit facility.
- (g) Increase in trade and other payables of S\$12.4 million was mainly due to:
- increase in security deposits received from tenants of S\$6.7 million of which S\$6.1 million relates to the security deposit received from the master lessee of HFB;
 - increase in payables and accruals for trust and property-related expenses (including AEI costs and other capital expenditure) of S\$3.1 million;
 - increase in property tax payable of S\$1.6 million; and
 - increase in retention sum payable of S\$1.0 million relating to the construction contract for the AEI works at VBP.
- (h) As at 31 December 2015, the Stapled Group's current liabilities exceeded its current assets by S\$125.8 million (31 December 2014: S\$29.1 million). The current liabilities of the Stapled Group as at 31 December 2015 included a three-year term loan of S\$134.3 million (net of transaction costs), which is repayable in October 2016. Please refer to the borrowings as disclosed on page 15 and 16 of this announcement for further details on the loan facilities.

By excluding the above-mentioned term loan of S\$134.3 million from current liabilities, the Stapled Group would have a positive working capital of S\$8.5 million as at 31 December 2015. The REIT Manager and the BT Trustee-Manager (collectively, the "**Managers**") are currently in the process of refinancing the above-mentioned term loan of S\$134.3 million and expect the refinancing exercise to be completed in 1Q2016. In view of the refinancing exercise, the Managers are of the view that the Stapled Group will be able to meet its obligations as and when they fall due.

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1(b)(ii) Aggregate amount of borrowings

	Note	Stapled Group	
		31 Dec 2015 S\$'000	31 Dec 2014 S\$'000
Secured borrowings	(a)		
Amount repayable within one year		155,000	21,000
Less: Unamortised transaction costs		(956)	(544)
		154,044	20,456
Amount repayable after one year		208,000	270,000
Less: Unamortised transaction costs		(1,966)	(3,255)
		206,034	266,745
Total secured borrowings		360,078	287,201
Unsecured borrowings	(b)		
Amount repayable after one year		100,000	100,000
Less: Unamortised transaction costs		(861)	(1,174)
		99,139	98,826
Total borrowings		459,217	386,027
Current		154,044	20,456
Non-current		305,173	365,571
		459,217	386,027

Details of borrowings and collateral:

(a) Secured borrowings

- (i) 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 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 million from the Syndicated Lenders (the "**Revolving Credit Facility**", together with the Term Loan Facilities, the "**Loan Facility I**").

The Loan Facility I bears interest at rates based on the aggregate of SOR plus a margin per annum and are secured by way of the following:

- mortgages over three properties, namely UEBH, VBP and Mauser Singapore (the "**Loan Facility I Mortgaged Properties**");
- debenture creating fixed and floating charges on all present and future assets in relation to the Loan Facility I Mortgaged Properties;
- an assignment of the relevant lease agreements, acquisition agreements, services agreement and other key agreements in relation to the Loan Facility I Mortgaged Properties;
- an assignment of all tenancy agreements, insurance policies, rental assignments, rental support arrangements and bankers' guarantees in relation to the Loan Facility I 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 Loan Facility I Mortgaged Properties.

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 Loan Facility I Mortgaged Properties and S\$20.0 million of the Revolving Credit Facility has been utilised as at 31 December 2015 for general working capital purposes.

- (ii) VI-REIT has in place a Singapore dollar senior five-year secured bilateral term loan facility amounting to S\$73.0 million (the “**Loan Facility II**”).

The Loan Facility II bears interest at a rate which is based on the aggregate of SOR plus a margin per annum. The Loan Facility II is secured by way of the following:

- a mortgage over 11 Ubi Road 1, and a deed of assignment of the building agreement (together with a mortgage-in-escrow) in relation to HFB (11 Ubi Road 1 and HFB collectively known as the “**Loan Facility II Mortgaged Properties**”);
- a debenture creating fixed and floating charges on all present and future assets in relation to the Loan Facility II Mortgaged Properties;
- an assignment of the relevant lease agreements and acquisition agreements in relation to the Loan Facility II Mortgaged Properties;
- an assignment of the relevant sale agreements (including sale proceeds), insurance policies, tenancy agreements (including tenancy proceeds) and bankers’ guarantees given, in each case, in relation to the Loan Facility II Mortgaged Properties;
- charges over the rental proceeds accounts and a sale proceeds account in relation to the Loan Facility II Mortgaged Properties; and
- a charge over a fixed deposit of S\$1.0 million.

The entire amount of the Loan Facility II has been drawn down on 24 November 2015 to partially finance the acquisition of the Loan Facility II Mortgaged Properties.

VI-REIT has entered into interest rate swaps to fix the interest rates for 74.4% of its outstanding floating rate borrowings as at 31 December 2015.

(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.

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1(c) Consolidated Statement of Cash Flows

	Stapled Group			
	4Q2015 S\$'000	4Q2014 S\$'000	FY2015 S\$'000	FY2014 S\$'000
Cash flows from operating activities				
Total return for the period before income tax	24,922	22,924	102,367	47,586
Adjustments for:				
Effects of recognising rental income on a straight-line basis over the lease term	(237)	(227)	(1,243)	(1,279)
Finance income	(11)	(34)	(15)	(42)
Finance expenses	4,252	3,747	15,604	11,731
Change in fair value of investment properties	(14,741)	(14,121)	(61,123)	(14,121)
Change in fair value of derivative financial instruments	(244)	(794)	(2,636)	(1,166)
Amortisation of intangible assets	908	1,050	4,057	4,200
REIT Manager's fees paid/payable in Stapled Securities	1,374	963	4,412	4,026
Property Manager's fees paid/payable in Stapled Securities	390	347	1,430	1,355
Operating income before working capital changes	16,613	13,855	62,853	52,290
Changes in working capital:				
Trade and other receivables	(7,181)	(4,236)	(1,880)	7,560
Trade and other payables	13,145	3,656	12,881	(1,913)
Cash generated from operations	22,577	13,275	73,854	57,937
Income taxes paid	-	(140)	(1,791)	(374)
Net cash generated from operating activities	22,577	13,135	72,063	57,563
Cash flows from investing activities				
Acquisition of investment properties	(137,715)	(112,851)	(137,715)	(112,851)
Refund of land premium for an investment property	-	-	56	-
Payment of differential premium and stamp duty for an investment property	-	-	(58,375)	-
Capital expenditure incurred	(8,375)	(36)	(13,343)	(128)
Deposit pledged	(1,000)	-	(1,000)	-
Interest received	1	-	5	-
Net cash used in investing activities	(147,089)	(112,887)	(210,372)	(112,979)
Cash flows from financing activities				
Proceeds from issuance of new Stapled Securities	110,000	15,600	173,072	15,600
Issue expenses paid	(892)	(62)	(2,791)	(4,859)
Proceeds from borrowings	79,000	-	73,000	100,000
Repayment of borrowings	-	-	(1,000)	(9,000)
Payment of transaction costs on borrowings	(902)	(29)	(917)	(1,314)
Finance expenses paid	(3,123)	(2,179)	(13,999)	(8,120)
Distribution to Stapled Securityholders	(18,986)	(16,671)	(46,129)	(43,617)
Net cash generated from / (used in) financing activities	165,097	(3,341)	181,236	48,690
Net increase / (decrease) in cash and cash equivalents	40,585	(103,093)	42,927	(6,726)
Cash and cash equivalents at beginning of the period/year	7,299	108,050	4,957	11,683
Cash and cash equivalents at end of the period/year	47,884	4,957	47,884	4,957

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

	Stapled Group			
	4Q2015 S\$'000	4Q2014 S\$'000	FY2015 S\$'000	FY2014 S\$'000
Balance at beginning of the period/year	585,335	448,797	471,486	448,555
Operations				
Total return for the period after income tax	24,399	22,512	100,140	45,795
Net increase in net assets resulting from operations	24,399	22,512	100,140	45,795
Stapled Securityholders' transactions				
Issuance of new Stapled Securities pursuant to:				
- Private placement	37,734	15,600	100,806	15,600
- Preferential offering	72,266	-	72,266	-
Issue expenses	(892)	(62)	(2,791)	(228)
Stapled Securities issued and issuable:				
- As payment of REIT Manager's fees	1,374	963	4,412	4,026
- As payment of Property Manager's fees	390	347	1,430	1,355
Distribution to Stapled Securityholders	(18,986)	(16,671)	(46,129)	(43,617)
Net increase / (decrease) in net assets resulting from Stapled Securityholders' transactions	91,886	177	129,994	(22,864)
Balance at end of the period/year	701,620	471,486	701,620	471,486

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

	Note	Stapled Group			
		4Q2015 Units	4Q2014 Units	FY2015 Units	FY2014 Units
Stapled Securities in issue at beginning of the period/year		705,632,449	598,581,027	620,241,958	594,000,275
Issuance of new Stapled Securities pursuant to:					
- Private placement	(a)	52,047,200	20,000,000	132,394,300	20,000,000
- Preferential offering	(b)	101,071,000	-	101,071,000	-
New Stapled Securities issued as payment of:					
- REIT Manager's fees		1,377,528	1,246,054	5,129,865	4,705,490
- Property Manager's fees		487,038	414,877	1,778,092	1,536,193
Total issued Stapled Securities		860,615,215	620,241,958	860,615,215	620,241,958
New Stapled Securities issuable as payment of:					
- REIT Manager's fees		1,949,634	1,207,476	1,949,634	1,207,476
- Property Manager's fees		553,748	434,203	553,748	434,203
Total issued and issuable Stapled Securities at end of the period/year		863,118,597	621,883,637	863,118,597	621,883,637

Notes:

- (a) Pursuant to two private placements, 80.3 million new Stapled Securities were issued on 16 June 2015 for gross proceeds of S\$63.1 million, and 52.0 million new Stapled Securities were issued on 27 November 2015 for gross proceeds of S\$37.7 million.
- (b) Pursuant to a preferential offering, 101.1 million new Stapled Securities were issued on 17 December 2015 for gross proceeds of S\$72.3 million.

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 current financial period are consistent with those applied in its audited financial statements for the financial year ended 31 December 2014.

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- 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**

	Stapled Group			
Note	4Q2015	4Q2014	FY2015	FY2014
EPS is calculated based on:				
Total return after income tax (S\$'000)	24,399	22,512	100,140	45,795
Weighted average number of issued and issuable Stapled Securities during the period/year ('000)	765,776	606,782	682,983	599,358
Basic and diluted EPS (cents)	3.187	3.710	14.662	7.641
DPS is calculated based on:				
Net income available for distribution for the period/year (S\$'000)	12,463	10,336	47,478	40,967
Applicable number of Stapled Securities for calculation of DPS ('000)	762,865	607,518	678,203	599,530
DPS (cents)	1.634	1.701	7.000	6.833

Notes:

- (a) Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments in issue during the period/year.
- (b) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the DPS.
- (c) The pro forma DPS for 4Q2015 and FY2015 without the effects of rental support / rental arrangement would be 1.297 cents (4Q2014: 1.286 cents) and 5.357 cents (FY2014: 5.054 cents), respectively.

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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 year

	Stapled Group	
	31 Dec 2015	31 Dec 2014
NAV per Stapled Security is calculated based on:		
Net assets (S\$'000)	701,620	471,486
Number of Stapled Securities ('000):		
- issued	860,615	620,242
- issuable	2,504	1,642
	863,119	621,884
NAV per Stapled Security (cents)	81.29	75.82

8 A review of the performance for the quarter and financial year ended 31 December 2015

Please refer to section 9 for a comparison of the Stapled Group’s actual results for 4Q2015 and FY2015 against its forecast results for 4Q2015 and FY2015, respectively derived from the full year projection for 2015 as disclosed in the Prospectus.

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9 Variance between the actual results and forecast

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

	Note	Stapled Group					
		4Q2015 Actual S\$'000	4Q2015 Forecast ^(a) S\$'000	Inc / (Dec) %	FY2015 Actual S\$'000	FY2015 Forecast ^(a) S\$'000	Inc / (Dec) %
Gross revenue	(a)	19,702	15,717	25.4	73,989	61,551	20.2
Property expenses	(b)	(5,977)	(5,286)	13.1	(23,151)	(20,800)	11.3
Net property income		13,725	10,431	31.6	50,838	40,751	24.8
Rental support / rental arrangement	(c)	3,150	3,258	(3.3)	13,540	13,190	2.7
REIT Manager's fees	(d)	(1,546)	(1,153)	34.1	(5,099)	(4,528)	12.6
REIT Trustee's fees		(45)	(45)	-	(180)	(180)	-
Amortisation of intangible assets	(e)	(908)	(825)	10.1	(4,057)	(3,750)	8.2
Other trust expenses	(f)	(198)	(387)	(48.8)	(845)	(1,549)	(45.5)
Finance income		11	10	10.0	15	45	(66.7)
Finance expenses	(g)	(4,252)	(2,660)	59.8	(15,604)	(10,640)	46.7
Net income		9,937	8,629	15.2	38,608	33,339	15.8
Change in fair value of investment properties		14,741	-	n.m	61,123	-	n.m
Change in fair value of derivative financial instruments		244	-	n.m	2,636	-	n.m
Total return before income tax		24,922	8,629	188.8	102,367	33,339	207.0
Income tax expense		(523)	(556)	(5.9)	(2,227)	(2,256)	(1.3)
Total return after income tax		24,399	8,073	202.2	100,140	31,083	222.2
Net tax adjustments		(11,938)	2,840	n.m	(52,669)	11,694	n.m
Net income available for distribution for the period	(h)	12,461	10,913	14.2	47,471	42,777	11.0

Notes:

- (a) The forecast results are derived from the corresponding period of the full year projection for 2015 as disclosed in the Prospectus.
- (b) n.m – not meaningful.

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9(b) A review of the performance (4Q2015 actual vs 4Q2015 forecast)

- (a) The actual gross revenue of S\$19.7 million for 4Q2015 was S\$4.0 million or 25.4% higher than the forecast mainly due to:
- higher actual rental contribution from new tenancies in respect of the business park space at UEBH, which was S\$0.5 million higher than the forecast;
 - revenue contribution of S\$2.9 million from JS and JDH, which were acquired in November 2014 and hence, such revenue was not included in the forecast;
 - revenue contribution of S\$1.0 million from HFB and 11 Ubi Road 1, which were acquired in November 2015 and hence, such revenue was not included in the forecast; and
 - the effect of recognising higher rental income on a straight-line basis over the contracted lease term of the respective leases, which amounted to S\$0.2 million;
 - partially offset by lower actual revenue derived from VBP, which was S\$0.6 million lower than the forecast as the actual occupancy rate at VBP was below the forecast. The under-performance of VBP was largely due to the AEI where certain lettable areas affected by the AEI were not marketed to potential tenants.
- (b) The actual property expenses of S\$6.0 million for 4Q2015 was S\$0.7 million or 13.1% higher than the forecast mainly due to:
- actual property expenses of S\$0.6 million pertaining to JS and JDH, which were acquired in November 2014 and hence, such property expenses were not included in the forecast; and
 - actual property expenses of S\$0.1 million pertaining to 11 Ubi Road 1, which was acquired in November 2015 and hence, such property expenses were not included in the forecast.
- (c) The actual income from rental support / rental arrangement of S\$3.2 million for 4Q2015 was S\$0.1 million or 3.3% lower than the forecast mainly due to:
- lower actual rental top-up received/receivable under the UEBH rental arrangement, which was S\$0.6 million lower than the forecast as the actual net property income derived from UEBH in 4Q2015 was higher than the forecast mainly due to new tenancies in respect of the business park space at UEBH as mentioned in note (a) above;
 - partially offset by the actual rental top-up of S\$0.5 million received/receivable under the JS rental support arrangement provided by the vendor of JS, which was acquired in November 2014 and hence, such rental top-up was not included in the forecast.
- (d) The actual REIT Manager's fees of S\$1.5 million for 4Q2015 was S\$0.4 million or 34.1% higher than the forecast mainly due to:
- higher actual Base Fee of S\$0.2 million for 4Q2015 as a result of higher actual distributable income for 4Q2015 by S\$1.5 million; and
 - higher actual Performance Fee of S\$0.2 million for 4Q2015.
- (e) The actual amortisation of intangible assets of S\$0.9 million for 4Q2015 was S\$0.1 million or 10.1% higher than the forecast as it was assumed under the forecast that the intangible assets relating to the rental differential arising from the VBP rental support arrangement had been fully amortised in 2Q2015 whereas the said intangible assets were actually fully amortised in November 2015.
- (f) The actual other trust expenses of S\$0.2 million for 4Q2015 were S\$0.2 million or 48.8% lower than the forecast mainly due to lower professional fees incurred.

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- (g) The actual finance expenses of S\$4.3 million for 4Q2015 were S\$1.6 million or 59.8% higher than the forecast mainly due to:
- the interest expense of S\$1.1 million incurred on the S\$100.0 million MTN issued in September 2014 to partially finance the acquisition of JS and JDH, which was not included in the forecast; and
 - the interest of S\$0.3 million incurred on the Loan Facility II of S\$73.0 million drawn down in November 2015 to partially finance the acquisition of HFB and 11 Ubi Road 1, which was not included in the forecast.
- (h) The actual net income available for distribution of S\$12.5 million for 4Q2015 was 14.2% higher than the forecast.

A review of the performance (FY2015 actual vs FY2015 forecast)

- (a) The actual gross revenue of S\$74.0 million for FY2015 was S\$12.4 million or 20.2% higher than the forecast mainly due to:
- higher actual rental contribution from new tenancies in respect of the business park space at UEBH, which was S\$2.5 million higher than the forecast;
 - revenue contribution of S\$11.0 million from JS and JDH, which were acquired in November 2014 and hence, such revenue was not included in the forecast;
 - revenue contribution of S\$1.1 million from HFB and 11 Ubi Road 1, which were acquired in November 2015 and hence, such revenue was not included in the forecast; and
 - the effect of recognising higher rental income on a straight-line basis over the contracted lease term of the respective leases, which amounted to S\$1.1 million;
 - partially offset by lower actual revenue derived from VBP, which was S\$3.2 million lower than the forecast as the actual occupancy rate at VBP was below the forecast. The under-performance of VBP was largely due to the AEI where certain lettable areas affected by the AEI were not marketed to potential tenants.
- (b) The actual property expenses of S\$23.2 million for FY2015 was S\$2.4 million or 11.3% higher than the forecast mainly due to:
- actual property expenses of S\$2.4 million pertaining to JS and JDH, which were acquired in November 2014 and hence, such property expenses were not included in the forecast;
 - actual property expenses of S\$0.1 million pertaining to 11 Ubi Road 1, which was acquired in November 2015 and hence, such property expenses were not included in the forecast; and
 - actual property expenses at UEBH were S\$0.1 million higher than the forecast;
 - partially offset by lower actual property expenses at VBP which was S\$0.2 million lower than the forecast.
- (c) The actual income from rental support / rental arrangement of S\$13.6 million for FY2015 was S\$0.4 million or 2.7% higher than the forecast mainly due to:
- the actual rental top-up of S\$2.7 million received/receivable under the JS rental support arrangement provided by the vendor of JS, which was acquired in November 2014 and hence, such rental top-up was not included in the forecast; and
 - the actual rental top-up of S\$0.5 million received under the VBP rental support arrangement as compared to the forecast where no such rental top-up was included as the projected monthly gross rental income from VBP was expected to exceed the guaranteed amount of S\$2.15 million per month under the VBP rental support arrangement but due to the AEI as mentioned in note (a) above, the actual monthly gross rental income derived from VBP in FY2015 was less than the aforesaid guaranteed amount, thus resulting in the rental top-up of S\$0.5 million in FY2015;
 - partially offset by lower actual rental top-up received/receivable under the UEBH rental arrangement, which was S\$2.8 million lower than the forecast as the actual net property income derived from UEBH in FY2015 was higher than the forecast mainly due to new tenancies in respect of the business park space at UEBH as mentioned in note (a) above.

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- (d) The actual REIT Manager's fees of S\$5.1 million for FY2015 were S\$0.6 million or 12.6% higher than the forecast mainly due to:
- higher actual Base Fee of S\$0.5 million for FY2015 as a result of higher actual distributable income for FY2015 by S\$4.7 million; and
 - higher actual Performance Fee of S\$0.1 million for FY2015.
- (e) The actual amortisation of intangible assets of S\$4.1 million for FY2015 was S\$0.3 million or 8.2% higher than the forecast as it was assumed under the forecast that the intangible assets relating to the rental differential arising from the VBP rental support arrangement had been fully amortised in 2Q2015 whereas the said intangible assets were actually fully amortised in November 2015.
- (f) The actual other trust expenses of S\$0.8 million for FY2015 were S\$0.7 million or 45.5% lower than the forecast mainly due to lower professional fees incurred.
- (g) The actual finance expenses of S\$15.6 million for FY2015 were S\$5.0 million or 46.7% higher than the forecast mainly due to:
- the interest expense of S\$4.5 million incurred on the S\$100.0 million MTN issued in September 2014 to partially finance the acquisition of JS and JDH, which was not included in the forecast; and
 - the interest of S\$0.3 million incurred on the Loan Facility II of S\$73.0 million drawn down in November 2015 to partially finance the acquisition of HFB and 11 Ubi Road 1, which was not included in the forecast.
- (h) The actual net income available for distribution of S\$47.5 million for FY2015 was 11.0% higher than the forecast.

10 Commentary on the significant trends and competitive conditions of the industry in which the Stapled Group operates and any known factors or events that may affect the Stapled 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 2.0% on a year-on-year basis in the fourth quarter of 2015, slightly faster than the 1.8% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a faster pace of 5.7% compared to the 1.7% growth in the preceding quarter¹.

According to research data by DTZ, business parks and hi-tech industrial space saw declines in rents in the 4th quarter of 2015. This was the first time rents of business parks and hi-tech factory space fell since the 3rd quarter of 2012. Average monthly gross rents of hi-tech industrial space dipped by 1.5% from the 3rd quarter to \$3.25 psf in the 4th quarter. Likewise, monthly rents of business parks fell by a greater 2.4% from the 3rd quarter to \$4.98 psf.

Though for the whole year, rents of hi-tech industrial space still recorded an increase of 1.6% from 2014 to 2015, albeit at a lower rate as compared to the 3.3% and 3.2% growth in 2013 and 2014 respectively. On the other hand, rents of business parks fell slightly by 0.4% for the whole of 2015, in comparison to the 6.8% increase from 2013 to 2014. In the first half of 2015, demand for business parks and hi-tech industrial space was supported by companies substituting quality business park space for office space to reduce cost, such as Google moving out from the Central Business District (“CBD”) to Mapletree Business City II upon its projected completion in 2016. However in the 3rd quarter, demand for business park space fell to 280,000 sqft from 355,000 sqft in the 2nd quarter as uncertainty in the economic climate persisted.

Moving forward, rents of business parks in 2016 are expected to face greater downward pressure with 1.5 million sqft of lettable business park space coming on board in 2016, along with subdued business confidence. Additionally, the softening of office rents and projected completions of office developments in the CBD in 2016 will exert further pressure on rents of business parks. In 2016, the recovery of the Chinese economy from its recent slowdown will be of key concern to manufacturing companies and their demand for industrial space².

Despite challenging industrial property market conditions, the REIT Manager has been proactive in securing new leases and renewing existing tenancies, amounting to a total of approximately 375,000 sq ft of space being leased or renewed in FY2015³. Against the backdrop of a subdued market, the REIT Manager will continue to grow the portfolio organically by improving the occupancy of the portfolio with a focus on retaining the existing tenants. The REIT Manager will also continue to proactively pursue investment opportunities for good quality assets that will deliver stable distribution and maximize returns to Stapled Securityholders.

AEI at VBP

The REIT Manager has, on 11 January 2016, obtained Temporary Occupation Permit (“TOP”) for 750A. Sporting goods giant Decathlon has also, on 16 January 2016, officially opened its Southeast Asia flagship store at VBP to the public and has received overwhelming responses from VBP tenants and surrounding neighbourhood. The REIT Manager will continue to work actively with prospective tenants for the leasing of the remaining retail space. To-date, all AEI works are on schedule, with TOP for 750 targeted to be received by end of 1Q2016, and the AEI works at 750B are expected to be completed in 3Q2016.

Proposed acquisition of 30 Pioneer Road

The proposed acquisition of 30 Pioneer Road is expected to be completed in 1Q2016.

¹ Singapore’s GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015, Ministry of Trade and Industry Singapore, Press Release, 4 January 2016

² “Singapore industrial rents continued to fall in final quarter of 2015: DTZ”, the Strait Times, 12 Jan 2016

³ Including the relocation of tenants within VBP due to the AEI project

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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 27 November 2015 to 31 December 2015

Distribution type: Taxable income / Tax-exempt income

Distribution rate: 0.593 cents per Stapled Security comprising:
(a) taxable income - 0.463 cents
(b) tax exempt income - 0.130 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 2015 to 26 November 2015 (paid on 23 December 2015)

Distribution type: Taxable income / Tax-exempt income

Distribution rate: 1.041 cents per Stapled Security comprising:
(a) taxable income - 0.832 cents
(b) tax exempt income - 0.209 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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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 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.

11(c) Books closure date: 3 February 2016

11(d) Date Payable: 29 February 2016

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.

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14 Segment revenue and results

	Stapled Group									
	4Q2015					4Q2014				
	Business Park	Hotel	Logistics	Light Industrial	Total	Business Park	Hotel	Logistics	Light Industrial	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	12,931	2,342	479	3,950	19,702	12,514	2,340	479	1,288	16,621
Property expenses	(5,160)	(88)	(11)	(718)	(5,977)	(5,237)	(90)	(10)	(264)	(5,601)
Net property income	7,771	2,254	468	3,232	13,725	7,277	2,250	469	1,024	11,020
Rental support / rental arrangement	2,623	19	-	508	3,150	2,664	21	-	246	2,931
Reportable segment results	10,394	2,273	468	3,740	16,875	9,941	2,271	469	1,270	13,951
Unallocated items:										
- REIT Manager's fees					(1,546)					(1,042)
- REIT Trustee's fees					(45)					(45)
- Amortisation of intangible assets					(908)					(1,050)
- Other trust expenses					(198)					(92)
- Finance income					11					34
- Finance expenses					(4,252)					(3,747)
Net income					9,937					8,009
Change in fair value of investment properties					14,741					14,121
Change in fair value of derivative financial instruments					244					794
Total return for the period before income tax					24,922					22,924
Income tax expense					(523)					(412)
Total return for the period after income tax					24,399					22,512

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	Stapled Group									
	FY2015					FY2014				
	Business Park S\$'000	Hotel S\$'000	Logistics S\$'000	Light Industrial S\$'000	Total S\$'000	Business Park S\$'000	Hotel S\$'000	Logistics S\$'000	Light Industrial S\$'000	Total S\$'000
Gross revenue	50,479	9,439	1,916	12,155	73,989	49,114	9,421	1,917	1,288	61,740
Property expenses	(20,262)	(354)	(44)	(2,491)	(23,151)	(20,326)	(356)	(41)	(264)	(20,987)
Net property income	30,217	9,085	1,872	9,664	50,838	28,788	9,065	1,876	1,024	40,753
Rental support / rental arrangement	10,892	3	-	2,645	13,540	12,164	39	-	246	12,449
Reportable segment results	41,109	9,088	1,872	12,309	64,378	40,952	9,104	1,876	1,270	53,202
Unallocated items:										
- REIT Manager's fees					(5,099)					(4,105)
- REIT Trustee's fees					(180)					(180)
- Amortisation of intangible assets					(4,057)					(4,200)
- Other trust expenses					(845)					(729)
- Finance income					15					42
- Finance expenses					(15,604)					(11,731)
Net income					38,608					32,299
Change in fair value of investment properties					61,123					14,121
Change in fair value of derivative financial instruments					2,636					1,166
Total return for the year before income tax					102,367					47,586
Income tax expense					(2,227)					(1,791)
Total return for the year after income tax					100,140					45,795

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15 Breakdown of revenue

	Stapled Group		
	FY2015 S\$'000	FY2014 S\$'000	Inc / (Dec) %
Gross revenue reported for first half year	35,899	30,183	18.9
Total return after income tax for first half year	65,677	15,337	328.2
Gross revenue reported for second half year	38,090	31,557	20.7
Total return after income tax for second half year	34,463	30,458	13.1

16 Breakdown of the total distributions for the financial year ended 31 December 2015

Annual distributions to Stapled Securityholders:

	FY2015 S\$'000	FY2014 S\$'000
1 Oct 2015 to 26 November 2015 ^(a)	7,365	-
1 Jul 2015 to 30 Sep 2015	11,622	-
16 Jun 2015 to 30 Jun 2015	1,971	-
1 Apr 2015 to 15 Jun 2015 ^(b)	9,784	-
1 Jan 2015 to 31 Mar 2015	11,629	-
2 Dec 2014 to 31 Dec 2014	3,758	-
1 Oct 2014 to 1 Dec 2014 ^(c)	-	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	46,129	43,617

Notes:

- (a) 4Q2015 advanced distribution was paid on 23 December 2015 pursuant to a private placement completed on 27 November 2015.
- (b) 2Q2015 advanced distribution was paid on 7 July 2015 pursuant to a private placement completed on 16 June 2015.
- (c) 4Q2014 advanced distribution was paid on 23 December 2014 pursuant to a private placement completed on 2 December 2014.

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17 Interested person transactions (“IPTs”)

Name of Interested Person / Party	Stapled Group	
	Aggregate value of all IPTs during the financial period under review	
	FY2015 S\$'000	FY2014 S\$'000
Viva Industrial Trust Management Pte Ltd (the “REIT Manager”)		
Base Fee paid and payable	4,816	4,105
Performance Fee paid and payable	283	-
Rental income received and receivable	197	102
Acquisition fee paid in relation to the acquisition of investment properties	1,227	1,080
Viva Real Estate Asset Management Pte Ltd (the “Property Manager”) (Note (a))		
Property and lease management fees paid and payable	1,759	1,393
Marketing commission paid and payable	353	577
The Trust Company (Asia) Limited (the “REIT Trustee”)		
REIT Trustee’s fees paid and payable	180	180
Ho Seng Lee Industries Pte Ltd (Related party of the REIT Manager) (Note (b))		
Rental income received and receivable	1,845	1,830
Wee Poh Construction Co. (Pte.) Ltd. (Related party of the REIT Manager) (Note (b))		
Construction contract for the AEI at VBP	21,886 ⁽¹⁾	-
⁽¹⁾ Represents the contract sum awarded as announced on 29 May 2015. The progress claims paid and payable for work performed in FY2015 amounted to approximately S\$10.3 million.		

Notes:

- (a) The Property Manager is a related corporation of the REIT Manager.
- (b) A wholly-owned subsidiary of Ho Lee Group Pte Ltd (“**HLG**”), which 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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18 Utilisation of equity fund raising proceeds

	S\$'000
<u>Private placement completed on 16 June 2015</u>	
Gross proceeds raised	63,072
Utilisation of gross proceeds as announced on 18 June 2015:	
- Placement commission	(1,567)
- Professional fees	(307)
- Part of the AEI costs at VBP comprising the differential premium and other incidental costs paid to the relevant authorities and the costs of the addition and alteration works	(61,198)
Unutilised proceeds as at the date of this announcement	-
<u>Private placement completed on 27 November 2015</u>	
Gross proceeds raised	37,734
Utilisation of gross proceeds as announced on 27 November 2015 and 7 December 2015:	
- Partially fund the acquisition of HFB and 11 Ubi Road 1	(35,800)
- Repayment of Revolving Credit Facility ("RCF") previously drawn down to partially fund the acquisition of HFB and 11 Ubi Road 1	(1,934)
Unutilised proceeds as at the date of this announcement	-
<u>Preferential offering completed on 17 December 2015</u>	
Gross proceeds raised	72,266
Utilisation of gross proceeds as announced on 23 December 2015, 28 December 2015, 7 January 2016 and 14 January 2015:	
- Partially fund the acquisition of 11 Ubi Road 1	(15,000)
- Repayment of RCF previously drawn down to partially fund the acquisition of HFB and 11 Ubi Road 1	(10,000)
- Acquisition fee paid to REIT Manager	(1,227)
- Part of the AEI costs at VBP comprising the costs of the addition and alteration works	(7,000)
- Professional fees	(400)
- Repayment of RCF	(25,000)
Unutilised proceeds as at the date of this announcement	13,639

19 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Managers confirm that they have procured undertakings from their directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

Pursuant to Rule 704(13) of the Listing Manual, the Board of Directors of the Managers 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.

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 2016

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.