



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.

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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”). Viva Industrial Trust Management Pte. Ltd. is the manager of VI-REIT (the “REIT Manager”) and Viva Asset Management Pte. Ltd. is the trustee-manager of VI-BT (the “BT Trustee-Manager”, and collectively with the REIT Manager, the “Managers”).

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 estates which are 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 30 June 2016, VI-REIT has a diversified portfolio of eight 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);
- two logistics properties, namely Mauser Singapore and 30 Pioneer Road; and
- four light industrial properties, namely Jackson Square (“JS”), Jackson Design Hub (“JDH”), Home-Fix Building (“HFB”) and 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 at least 90% of its distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

As at 30 June 2016, 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					
	2Q2016	2Q2015	Variance	1H2016	1H2015	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	23,387	17,815	31.3%	45,299	35,899	26.2%
Net property income	17,197	12,195	41.0%	32,995	24,609	34.1%
Distributable income ^(a)	15,147	11,763	28.8%	29,290	23,393	25.2%
Distribution per Stapled Security ^{(b)(c)} (cents)	1.750	1.849	-5.4%	3.388	3.719	-8.9%

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 (“DPS”).
- (b) Please refer to section 6 on page 20 of this announcement for the calculation of DPS.
- (c) Notwithstanding that the distributable income for 2Q2016 was higher than that of 2Q2015, the DPS for 2Q2016 was lower than that of 2Q2015 as a result of an enlarged share base following the completion of two private placements and a preferential offering in FY2015 to partially fund (i) the acquisition of three properties, namely HFB, 11 Ubi Road 1 and 30 Pioneer Road; and (ii) the asset enhancement initiative (“AEI”) at VBP, which increased the number of issued Stapled Securities by approximately 233.4 million or 37.4%.

The acquisition of HFB and 11 Ubi Road 1 was completed on 24 November 2015 and they have since started contributing additional income to VIT. The acquisition of 30 Pioneer Road was completed on 15 April 2016 and it has since started contributing additional income to VIT.

The AEI works for 750A and 750 VBP obtained Temporary Occupation Permit (“TOP”) in January 2016 and May 2016, respectively and thereafter, started contributing additional income to VIT. The remaining AEI works pertaining to 750B VBP are in progress and are expected to be completed by 4Q2016. With the progressive completion of the AEI works, VBP is expected to continue to progressively contribute additional income to VIT.

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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 30 June 2016 ("2Q2016")

	Note	2Q2016			2Q2015			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)	23,387	23,387	-	17,815	17,815	-	31.3	31.3	-
Property expenses	(b)	(6,190)	(6,190)	-	(5,620)	(5,620)	-	10.1	10.1	-
Net property income		17,197	17,197	-	12,195	12,195	-	41.0	41.0	-
Rental support / rental arrangement	(a)	2,983	2,983	-	3,720	3,720	-	(19.8)	(19.8)	-
REIT Manager's fees	(c)	(1,532)	(1,532)	-	(1,194)	(1,194)	-	28.3	28.3	-
REIT Trustee's fees		(46)	(46)	-	(45)	(45)	-	2.2	2.2	-
Amortisation of intangible assets	(d)	(825)	(825)	-	(1,050)	(1,050)	-	(21.4)	(21.4)	-
Other trust expenses	(e)	(196)	(194)	(2)	(204)	(204)	-	(3.9)	(4.9)	n.m.
Finance income		6	6	-	3	3	-	100.0	100.0	-
Finance expenses	(f)	(4,815)	(4,815)	-	(3,768)	(3,768)	-	27.8	27.8	-
Net income		12,772	12,774	(2)	9,657	9,657	-	32.3	32.3	n.m.
Change in fair value of investment properties	(g)	(278)	(278)	-	46,382	46,382	-	n.m.	n.m.	-
Change in fair value of derivative financial instruments	(h)	(1,293)	(1,293)	-	(1,238)	(1,238)	-	4.4	4.4	-
Total return before income tax		11,201	11,203	(2)	54,801	54,801	-	(79.6)	(79.6)	n.m.
Income tax expense	(i)	(503)	(503)	-	(580)	(580)	-	(13.3)	(13.3)	-
Total return after income tax		10,698	10,700	(2)	54,221	54,221	-	(80.3)	(80.3)	n.m.

n.m. – not meaningful

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Notes:

- (a) The breakdown of gross revenue and rental differential derived from each property in 2Q2016, and the occupancy rate and weighted average lease expiry ("WALE") of each property as at 30 June 2016 are as follows:

	Stapled Group					
	2Q2016				2Q2015	
	Gross revenue S\$'000	Rental differential S\$'000	Occupancy rate %	WALE ⁽¹⁾ Years	Gross revenue S\$'000	Rental differential S\$'000
VBP	7,997	-	70	1.8	6,469	276
UEBH - Business Park Component	5,867	2,636	90	4.0	5,890	2,614
UEBH - Hotel Component	2,331	39	98	2.4	2,369	(10)
Mauser Singapore	479	-	100	2.9	479	-
JS	2,592	308	91	1.2	2,060	840
JDH	559	-	100	8.4	548	-
HFB	803	-	100	9.4	-	-
11 Ubi Road 1	1,803	-	100	9.4	-	-
30 Pioneer Road	956	-	100	4.8	-	-
	23,387	2,983			17,815	3,720

Note:

- (1) WALE is calculated based on the underlying committed gross rental income as at 30 June 2016 assuming renewal options are not exercised.

Gross revenue of S\$23.4 million for 2Q2016 was S\$5.6 million or 31.3% higher than that of 2Q2015 mainly due to:

- additional rental contribution of S\$2.6 million from HFB and 11 Ubi Road 1, which were acquired by VI-REIT on 24 November 2015;
- additional rental contribution of S\$1.0 million from 30 Pioneer Road, which was acquired by VI-REIT on 15 April 2016 and leased back to the vendor for a term of five years, with rental escalations of 5.0% in the third and fifth year of the initial lease term, and an option to renew for another five-year term;
- higher rental and other income contribution from VBP by S\$1.5 million mainly due to additional income from the contestable electricity bulk purchase program and the retail units at 750A VBP; and
- higher rental contribution from JS by S\$0.5 million.

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 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;

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- (ii) 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 had been fully utilised by VI-REIT in 3Q2015; and
- (iii) 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.

Income from rental support / rental arrangement of S\$3.0 million for 2Q2016 was S\$0.7 million or 19.8% lower than that of 2Q2015 mainly due to:

- lower rental top-up under the JS rental support arrangement by S\$0.5 million as a result of higher gross revenue; and
 - the absence of rental top-up under the VBP rental support arrangement of S\$0.2 million due to the expiry of the VBP rental support arrangement as the aggregate rental support capped at S\$2.3 million was fully utilised by VI-REIT in 3Q2015.
- (b) Property expenses of S\$6.2 million for 2Q2016 was S\$0.6 million or 10.1% higher than that of 2Q2015 mainly due to:
- additional property expenses of S\$0.3 million pertaining to 11 Ubi Road 1, which was acquired on 24 November 2015; and
 - higher property expenses of S\$0.3 million pertaining to VBP.
- (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).

The REIT Manager's fees of S\$1.5 million for 2Q2016 were S\$0.3 million or 28.3% higher than that of 2Q2015 mainly due to the increase in distributable income of VI-REIT as a result of:

- additional income contributions from HFB and 11 Ubi Road 1, which were acquired in November 2015;
 - additional income contribution from 30 Pioneer Road, which was acquired in April 2016; and
 - higher income contribution from VBP.
- (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 had been fully amortised in November 2015 and as a result, the amortisation charge for 2Q2016 was lower than that of 2Q2015 by S\$0.2 million or 21.4%.
- (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.
- (f) Finance expenses generally include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S\$4.8 million for 2Q2016 were S\$1.0 million or 27.8% higher than that of 2Q2015 mainly due to:
- additional interest expense of S\$0.7 million incurred on the S\$73 million secured term loan, which was drawn down in November 2015 to partially fund the acquisition of HFB and 11 Ubi Road 1; and
 - additional interest expense of S\$0.3 million incurred on the revolving credit facility drawn down in 2Q2016 to partially fund the acquisition of 30 Pioneer Road and the AEI works at VBP.

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- (g) This relates to the fair value loss arising from the revaluation of VBP and JS as at 30 June 2016, partially offset by the fair value gain arising from the acquisition of 30 Pioneer Road on 15 April 2016. 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 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.

The fair value loss on interest rate swaps of S\$1.3 million in 2Q2016 was mainly due to the decrease in the Singapore dollar Swap Offer Rate ("**SOR**") in 2Q2016.

- (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 2Q2016 was S\$0.1 million or 13.3% lower than that of 2Q2015 mainly due to lower rental top-up received/receivable under the JS rental support arrangement in 2Q2016.

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1(a)(ii) Distribution Statement

Note	2Q2016		2Q2015		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	10,698	10,700	54,221	54,221	(80.3)	(80.3)
Net tax adjustments (Note A)	4,447	4,447	(42,458)	(42,458)	n.m.	n.m.
Net income available for distribution for the period	15,145	15,147	11,763	11,763	28.8	28.8
Distribution per Stapled Security (cents):						
For the period		1.750		1.849		(5.4)
Annualised		7.038		7.416		(5.1)

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

	2Q2016		2Q2015		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	1,359	1,359	1,021	1,021	33.1	33.1
Property Manager's fees payable in Stapled Securities	492	492	342	342	43.9	43.9
REIT Trustee's fees	46	46	45	45	2.2	2.2
Adjustment for recognising rental income on a straight-line basis over the lease term	(298)	(298)	(340)	(340)	(12.4)	(12.4)
Amortisation of intangible assets	825	825	1,050	1,050	(21.4)	(21.4)
Amortisation of debt-related transaction costs	432	432	521	521	(17.1)	(17.1)
Change in fair value of investment properties	278	278	(46,382)	(46,382)	n.m.	n.m.
Change in fair value of derivative financial instruments	1,293	1,293	1,238	1,238	4.4	4.4
Other non-taxable items	20	20	47	47	(57.4)	(57.4)
Net tax adjustments	4,447	4,447	(42,458)	(42,458)	n.m.	n.m.

n.m. – not meaningful

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1(a)(iii) Consolidated Statement of Total Return for the six months ended 30 June 2016 ("1H2016")

	Note	1H2016			1H2015			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)	45,299	45,299	-	35,899	35,899	-	26.2	26.2	-
Property expenses	(b)	(12,304)	(12,304)	-	(11,290)	(11,290)	-	9.0	9.0	-
Net property income		32,995	32,995	-	24,609	24,609	-	34.1	34.1	-
Rental support / rental arrangement	(a)	6,398	6,398	-	7,320	7,320	-	(12.6)	(12.6)	-
REIT Manager's fees	(c)	(2,964)	(2,964)	-	(2,374)	(2,374)	-	24.9	24.9	-
REIT Trustee's fees		(91)	(91)	-	(90)	(90)	-	1.1	1.1	-
Amortisation of intangible assets	(d)	(1,650)	(1,650)	-	(2,100)	(2,100)	-	(21.4)	(21.4)	-
Other trust expenses	(e)	(562)	(559)	(3)	(409)	(407)	(2)	37.4	37.3	50.0
Finance income		31	31	-	3	3	-	n.m.	n.m.	-
Finance expenses	(f)	(12,070)	(12,070)	-	(7,489)	(7,489)	-	61.2	61.2	-
Net income		22,087	22,090	(3)	19,470	19,472	(2)	13.4	13.4	50.0
Change in fair value of investment properties	(g)	(278)	(278)	-	46,382	46,382	-	n.m.	n.m.	-
Change in fair value of derivative financial instruments	(h)	(6,348)	(6,348)	-	1,032	1,032	-	n.m.	n.m.	-
Total return before income tax		15,461	15,464	(3)	66,884	66,886	(2)	(76.9)	(76.9)	50.0
Income tax expense	(i)	(1,079)	(1,079)	-	(1,207)	(1,207)	-	(10.6)	(10.6)	-
Total return after income tax		14,382	14,385	(3)	65,677	65,679	(2)	(78.1)	(78.1)	50.0

n.m. – not meaningful

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Notes:

- (a) The breakdown of gross revenue and rental differential derived from each property in 1H2016 are as follows:

	Stapled Group			
	1H2016		1H2015	
	Gross revenue S\$'000	Rental differential S\$'000	Gross revenue S\$'000	Rental differential S\$'000
VBP	15,538	-	13,085	398
UEBH - Business Park Component	11,689	5,685	11,764	5,395
UEBH - Hotel Component	4,681	61	4,740	(17)
Mauser Singapore	958	-	958	-
JS	5,148	652	4,256	1,544
JDH	1,118	-	1,096	-
HFB	1,605	-	-	-
11 Ubi Road 1	3,606	-	-	-
30 Pioneer Road	956	-	-	-
	45,299	6,398	35,899	7,320

Gross revenue of S\$45.3 million for 1H2016 was S\$9.4 million or 26.2% higher than that of 1H2015 mainly due to:

- additional rental contribution of S\$5.2 million from HFB and 11 Ubi Road 1, which were acquired by VI-REIT on 24 November 2015;
- additional rental contribution of S\$1.0 million from 30 Pioneer Road, which was acquired by VI-REIT on 15 April 2016;
- higher rental and other income contribution from VBP by S\$2.4 million mainly due to additional income from the contestable electricity bulk purchase program and the retail units at 750A VBP; and
- higher rental contribution from JS by S\$0.8 million.

Income from rental support / rental arrangement of S\$6.4 million for 1H2016 was S\$0.9 million or 12.6% lower than that of 1H2015 mainly due to:

- lower rental top-up under the JS rental support arrangement by S\$0.9 million as a result of higher gross revenue; and
- the absence of rental top-up under the VBP rental support arrangement of S\$0.4 million due to the expiry of the VBP rental support arrangement as the aggregate rental support capped at S\$2.3 million was fully utilised by VI-REIT in 3Q2015;
- partially offset by higher rental top-up under the UEBH rental arrangement by S\$0.4 million as a result of the step-up of 5% on the agreed amount of S\$26 million per annum (as described in note (a)(i) on page 4 of this announcement) with effect from November 2015.

- (b) Property expenses of S\$12.3 million for 1H2016 was S\$1.0 million or 9.0% higher than that of 1H2015 mainly due to:

- additional property expenses of S\$0.6 million pertaining to 11 Ubi Road 1, which was acquired on 24 November 2015; and
- higher property expenses of S\$0.5 million pertaining to VBP;
- partially offset by lower property expenses of S\$0.1 million pertaining to UEBH.

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- (c) The REIT Manager's fees of S\$3.0 million for 1H2016 were S\$0.6 million or 24.9% higher than that of 1H2015 mainly due to the increase in distributable income of VI-REIT as a result of:
- additional income contributions from HFB and 11 Ubi Road 1, which were acquired in November 2015;
 - additional income contribution from 30 Pioneer Road, which was acquired in April 2016; and
 - higher income contribution from VBP.
- (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 had been fully amortised in November 2015 and as a result, the amortisation charge for 1H2016 was lower than that of 1H2015 by S\$0.5 million or 21.4%.
- (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\$0.6 million for 1H2016 were S\$0.2 million or 37.4% higher than that of 1H2015 mainly due to the write-off of professional fees incurred on an aborted transaction.
- (f) Finance expenses generally include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S\$12.1 million for 1H2016 were S\$4.5 million or 61.2% higher than that of 1H2015 mainly due to:
- additional interest expense of S\$1.4 million incurred on the S\$73 million secured term loan, which was drawn down in November 2015 to partially fund the acquisition of HFB and 11 Ubi Road 1;
 - additional interest expense of S\$0.3 million incurred on the revolving credit facility drawn down in 2Q2016 to partially fund the acquisition of 30 Pioneer Road and the AEI works at VBP;
 - write-off of unamortised debt-related transaction costs of S\$1.9 million relating to the S\$315 million loan facilities obtained in 2013 (the "**2013 Loan Facilities**"), which were refinanced with the new S\$330 million loan facilities in February 2016; and
 - prepayment and cancellation fees of S\$0.8 million incurred for the repayment and cancellation of the 2013 Loan Facilities before maturity as a result of the aforesaid refinancing.
- (g) This relates to the fair value loss arising from the revaluation of VBP and JS as at 30 June 2016, partially offset by the fair value gain arising from the acquisition of 30 Pioneer Road on 15 April 2016. 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. The fair value loss on interest rate swaps of S\$6.3 million in 1H2016 was mainly due to the significant decrease in the Singapore dollar SOR in 1H2016.
- (i) Income tax expense of S\$1.1 million for 1H2016 was S\$0.1 million or 10.6% lower than that of 1H2015 mainly due to lower rental top-up received/receivable in 1H2016.

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1(a) (iv) Distribution Statement

Note	1H2016		1H2015		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	14,382	14,385	65,677	65,679	(78.1)	(78.1)
Net tax adjustments (Note A)	14,905	14,905	(42,286)	(42,286)	n.m.	n.m.
Net income available for distribution for the period	29,287	29,290	23,391	23,393	25.2	25.2
Distribution per Stapled Security (cents):						
For the period		3.388		3.719		(8.9)
Annualised		6.813		7.500		(9.2)

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

	1H2016		1H2015		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	2,616	2,616	2,029	2,029	28.9	28.9
Property Manager's fees paid/payable in Stapled Securities	936	936	683	683	37.0	37.0
REIT Trustee's fees	91	91	90	90	1.1	1.1
Adjustment for recognising rental income on a straight-line basis over the lease term	(897)	(897)	(900)	(900)	(0.3)	(0.3)
Amortisation of intangible assets	1,650	1,650	2,100	2,100	(21.4)	(21.4)
Amortisation of debt-related transaction costs	958	958	1,044	1,044	(8.2)	(8.2)
Unamortised debt-related transaction costs written off	1,890	1,890	-	-	n.m.	n.m.
Debt prepayment and cancellation fees	801	801	-	-	n.m.	n.m.
Change in fair value of investment properties	278	278	(46,382)	(46,382)	n.m.	n.m.
Change in fair value of derivative financial instruments	6,348	6,348	(1,032)	(1,032)	n.m.	n.m.
Other non-taxable items	234	234	82	82	185.4	185.4
Net tax adjustments	14,905	14,905	(42,286)	(42,286)	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 30 June 2016

	Note	30 Jun 2016			31 Dec 2015		
		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)	1,187,200	1,187,200	-	1,123,200	1,123,200	-
Intangible assets	(b)	7,728	7,728	-	9,378	9,378	-
		1,194,928	1,194,928	-	1,132,578	1,132,578	-
Current assets							
Trade and other receivables	(c)	11,814	11,814	-	14,546	14,546	-
Derivative financial instruments	(d)	-	-	-	2,314	2,314	-
Pledged deposits	(e)	1,000	1,000	-	1,000	1,000	-
Cash and cash equivalents	(f)	13,338	13,302	36	47,884	47,848	36
		26,152	26,116	36	65,744	65,708	36
Total assets		1,221,080	1,221,044	36	1,198,322	1,198,286	36
Non-current liabilities							
Trade and other payables	(g)	7,427	7,427	-	8,147	8,147	-
Interest-bearing borrowings	(h)	481,652	481,652	-	305,173	305,173	-
Derivative financial instruments	(d)	4,034	4,034	-	-	-	-
		493,113	493,113	-	313,320	313,320	-
Current liabilities							
Trade and other payables	(g)	24,339	24,331	8	27,103	27,098	5
Interest-bearing borrowings	(h)	-	-	-	154,044	154,044	-
Income tax payable		3,315	3,315	-	2,235	2,235	-
		27,654	27,646	8	183,382	183,377	5
Total liabilities		520,767	520,759	8	496,702	496,697	5
Net assets		700,313	700,285	28	701,620	701,589	31
Represented by:							
Stapled Securityholders' funds		700,313	700,285	28	701,620	701,589	31

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Notes:

- (a) Increase in investment properties of S\$64.0 million was mainly due to the acquisition of 30 Pioneer Road and the costs of the AEI works and other capital expenditure at VBP incurred during 1H2016.

Movements in the carrying value of investment properties during 1H2016 are as shown below:

	S\$'000
Carrying value of investment properties as at 1 January 2016	1,123,200
Acquisition of an investment property	51,652
Acquisition related costs	583
Costs incurred for the AEI works at VBP	8,576
Other capital expenditure incurred	3,467
	1,187,478
Change in fair value of investment properties recognised in the consolidated statement of total return	(278)
Fair value of investment properties as at 30 June 2016	1,187,200

- (b) This represents the carrying amount of unamortised rental differential to be provided to VI-REIT by the vendor of UEBH pursuant to the UEBH rental arrangement as described in note (d) on page 5 of this announcement.

Intangible assets decreased by S\$1.7 million due to amortisation charge for 1H2016.

- (c) Decrease in trade and other receivables of S\$2.7 million was mainly due to:
- deferred property tax of S\$2.8 million and deferred marketing commission of S\$0.3 million charged to the statement of total return in 1H2016;
 - recovery of property tax on Mauser Singapore, JDH, HFB and 11 Ubi Road 1 from the respective lessees of the said properties amounting to S\$0.3 million;
 - absence of GST receivable, which amounted to S\$0.5 million as at 31 December 2015; and
 - decrease in trade receivables of S\$0.4 million; partially offset by
 - increase in receivables of S\$0.9 million due to the recognition of rental income on a straight-line basis over the lease term of the respective leases; and
 - deferred marketing commission of S\$0.7 million incurred in 1H2016.
- (d) This represents the 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.

During 1H2016, the Stapled Group refinanced the 2013 Loan Facilities, which were maturing in 2016 and 2017, with the new Loan Facility I (as defined hereinafter). In connection with the aforesaid refinancing, the Stapled Group terminated the interest rate swaps under the 2013 Loan Facilities and entered into new interest rate swaps with a total notional amount of S\$270 million for tenors of two to four years to hedge the interest rates for the new Loan Facility I.

In addition, the Stapled Group also entered into an interest rate swap with a notional amount of S\$50 million for a tenor of two years to partially hedge the interest rates for Loan Facility II (as defined hereinafter). Please refer to the secured 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 Singapore dollar SOR. Due to the significant decrease in the Singapore dollar SOR during 1H2016, all of the Stapled Group's interest rate swaps have turned from being derivative financial assets as at 31 December 2015 to derivative financial liabilities as at 30 June 2016.

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- (e) Pledged deposits represent bank balances that are pledged as security for Loan Facility II as disclosed on page 16 of this announcement.
- (f) Cash and cash equivalents decreased by S\$34.5 million as a result of net cash used in investing activities of S\$64.2 million and net cash used in financing activities of S\$7.9 million, partially offset by net cash generated from operating activities of S\$37.6 million. Please refer to the consolidated statement of cash flows for 1H2016 on page 17 of this announcement for further details.
- (g) Non-current trade and other payables comprise security deposits received from tenants. Decrease in total trade and other payables of S\$3.5 million was mainly due to:
- decrease in property tax payable of S\$3.4 million; and
 - decrease in security deposits received from tenants of S\$5.3 million; partially offset by:
 - increase in payables and accruals for trust and property-related expenses (including AEI costs and other capital expenditure) of S\$3.7 million
 - increase in interest payable of S\$1.0 million;
 - GST payable of S\$0.4 million as at 30 June 2016 as compared to GST receivable as at 31 December 2015; and
 - increase in retention sum payable of S\$0.1 million.
- (h) Increase in total interest-bearing borrowings of S\$22.4 million was mainly due to:
- drawdown of S\$315 million of term loans and revolving credit facility under the new Loan Facility I;
 - amortisation of debt-related transaction costs of S\$0.9 million in 1H2016; and
 - write-off of unamortised debt-related transaction costs of S\$1.9 million relating to the 2013 Loan Facilities; partially offset by:
 - repayment of S\$290 million of outstanding loans under the 2013 Loan Facilities; and
 - debt-related transaction costs of S\$5.4 million incurred on the new Loan Facility I.
- (i) As at 30 June 2016, the Stapled Group's current liabilities exceeded its current assets by S\$1.5 million (31 December 2015: S\$125.8 million). As the Stapled Group has unutilised committed revolving credit facility of S\$15 million as at 30 June 2016, 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	
		30 Jun 2016 S\$'000	31 Dec 2015 S\$'000
Secured borrowings	(a)		
Amount repayable within one year		-	155,000
Less: Unamortised transaction costs		-	(956)
		-	154,044
Amount repayable after one year		388,000	208,000
Less: Unamortised transaction costs		(5,648)	(1,966)
		382,352	206,034
Total secured borrowings		382,352	360,078
Unsecured borrowings	(b)		
Amount repayable after one year		100,000	100,000
Less: Unamortised transaction costs		(700)	(861)
		99,300	99,139
Total borrowings		481,652	459,217
Current		-	154,044
Non-current		481,652	305,173
		481,652	459,217

Details of borrowings and collateral:

(a) Secured borrowings

- (i) VI-REIT has in place a Singapore dollar senior four-year secured term loan facility and a Singapore dollar senior five-year secured term loan facility, each amounting to S\$140 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\$50 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 is secured by way of the following:

- mortgages over three properties, namely UEBH, VBP and Mauser Singapore (the "**Loan Facility I Mortgaged Properties**");
- a debenture creating first fixed and floating charges on all present and future assets in relation to the Loan Facility I Mortgaged Properties and replacement properties (if any);
- an assignment of the relevant lease agreements, acquisition agreement, services agreement, rental support arrangement, bankers' guarantees and other key agreements in relation to the Loan Facility I Mortgaged Properties;
- an assignment of all tenancy agreements, sale agreements (including sale proceeds and rental proceeds), certain bank accounts and all sums from time to time which VI-REIT is entitled to receive from the Loan Facility I Mortgaged Properties; and
- an assignment of all insurance policies (including insurance proceeds) in relation to the Loan Facility I Mortgaged Properties.

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S\$280 million in aggregate of the Term Loan Facilities have been drawn down as at 30 June 2016, of which S\$270 million was used to refinance the outstanding term loans of the same amount under the 2013 Loan Facilities and the remaining S\$10 million was used to partially fund the AEI works at VBP. S\$35 million of the Revolving Credit Facility has been utilised as at 30 June 2016 to partially fund the acquisition of 30 Pioneer Road, the AEI works at VBP, as well as 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 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 bank accounts and a sale proceeds bank 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 was drawn down on 24 November 2015 to partially fund the acquisition of the Loan Facility II Mortgaged Properties.

VI-REIT has entered into interest rate swaps to fix the interest rates for 82.5% of its outstanding floating rate borrowings as at 30 June 2016.

(b) Unsecured borrowings

The Stapled Group issued S\$100 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 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			
	2Q2016	2Q2015	1H2016	1H2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total return for the period before income tax	11,201	54,801	15,461	66,884
Adjustments for:				
Effects of recognising rental income on a straight-line basis over the lease term	(298)	(340)	(897)	(900)
Finance income	(6)	(3)	(31)	(3)
Finance expenses	4,815	3,768	12,070	7,489
Change in fair value of investment properties	278	(46,382)	278	(46,382)
Change in fair value of derivative financial instruments	1,293	1,238	6,348	(1,032)
Amortisation of intangible assets	825	1,050	1,650	2,100
REIT Manager's fees paid/payable in Stapled Securities	1,359	1,021	2,616	2,029
Property Manager's fees paid/payable in Stapled Securities	492	342	936	683
Operating income before working capital changes	19,959	15,495	38,431	30,868
Changes in working capital:				
Trade and other receivables	2,507	(2,266)	3,629	(740)
Trade and other payables	(5,360)	(2,531)	(4,425)	(1,684)
Cash generated from operations	17,106	10,698	37,635	28,444
Income taxes paid	-	(1,343)	-	(1,343)
Net cash generated from operating activities	17,106	9,355	37,635	27,101
Cash flows from investing activities				
Acquisition of an investment property	(52,235)	-	(52,235)	-
Refund of land premium for an investment property	-	-	-	56
Payment of differential premium and stamp duty for an investment property	-	(58,375)	-	(58,375)
Capital expenditure incurred	(4,560)	-	(12,043)	-
Interest received	3	3	31	3
Net cash used in investing activities	(56,792)	(58,372)	(64,247)	(58,316)
Cash flows from financing activities				
Proceeds from issuance of new Stapled Securities	-	63,072	-	63,072
Payment of issue expenses	-	(1,899)	-	(1,899)
Proceeds from borrowings	45,000	-	315,000	-
Repayment of borrowings	-	-	(290,000)	(6,000)
Payment of debt-related transaction costs	-	-	(5,413)	(6)
Payment of debt prepayment and cancellation fees	-	-	(801)	-
Payment of finance expenses	(3,280)	(2,203)	(7,479)	(6,500)
Distributions paid to Stapled Securityholders	(14,138)	(11,629)	(19,241)	(15,388)
Net cash generated from / (used in) financing activities	27,582	47,341	(7,934)	33,279
Net (decrease) / increase in cash and cash equivalents	(12,104)	(1,676)	(34,546)	2,064
Cash and cash equivalents at beginning of the period	25,442	8,697	47,884	4,957
Cash and cash equivalents at end of the period	13,338	7,021	13,338	7,021

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

	Stapled Group			
	2Q2016 S\$'000	2Q2015 S\$'000	1H2016 S\$'000	1H2015 S\$'000
Balance at beginning of the period	701,902	480,532	701,620	471,486
Operations				
Total return for the period after income tax	10,698	54,221	14,382	65,677
Net increase in net assets resulting from operations	10,698	54,221	14,382	65,677
Stapled Securityholders' transactions				
Issuance of new Stapled Securities pursuant to a private placement	-	63,072	-	63,072
Issue expenses	-	(1,899)	-	(1,899)
Stapled Securities issued and issuable:				
- As payment of REIT Manager's fees	1,359	1,021	2,616	2,029
- As payment of Property Manager's fees	492	342	936	683
Distribution to Stapled Securityholders	(14,138)	(11,629)	(19,241)	(15,388)
Net (decrease) / increase in net assets resulting from Stapled Securityholders' transactions	(12,287)	50,907	(15,689)	48,497
Balance at end of the period	700,313	585,660	700,313	585,660

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

	Stapled Group			
	2Q2016 Units	2Q2015 Units	1H2016 Units	1H2015 Units
Stapled Securities in issue at beginning of the period	863,118,597	621,883,637	860,615,215	620,241,958
Issuance of new Stapled Securities pursuant to a private placement	-	80,347,100	-	80,347,100
New Stapled Securities issued as payment of:				
- REIT Manager's fees	1,757,999	1,258,217	3,707,633	2,465,693
- Property Manager's fees	620,755	426,147	1,174,503	860,350
Total issued Stapled Securities	865,497,351	703,915,101	865,497,351	703,915,101
New Stapled Securities issuable as payment of:				
- REIT Manager's fees	1,919,076	1,286,644	1,919,076	1,286,644
- Property Manager's fees	695,731	430,704	695,731	430,704
Total issued and issuable Stapled Securities at end of the period	868,112,158	705,632,449	868,112,158	705,632,449

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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 2015.

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.

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

	Stapled Group				
	Note	2Q2016	2Q2015	1H2016	1H2015
EPS is calculated based on:					
Total return after income tax (S\$'000)		10,698	54,221	14,382	65,677
Weighted average number of issued and issuable Stapled Securities during the period ('000)		865,526	636,831	864,322	629,399
Basic and diluted EPS (cents)	(a)	1.236	8.514	1.664	10.435
DPS is calculated based on:					
Net income available for distribution for the period (S\$'000)	(b)	15,147	11,763	29,290	23,393
Applicable number of Stapled Securities for calculation of DPS ('000)		865,497	636,171	864,347	629,010
DPS (cents)	(c)	1.750	1.849	3.388	3.719

Notes:

- (a) Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments in issue during the period.
- (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 2Q2016 and 1H2016 without the effects of rental support / rental arrangement would be 1.467 cents (2Q2015: 1.368 cents) and 2.780 cents (1H2015: 2.770 cents), respectively.

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

	Stapled Group	
	30 Jun 2016	31 Dec 2015
NAV / NTA per Stapled Security is calculated based on:		
Net assets (S\$'000)	700,313	701,620
Net tangible assets (S\$'000)	692,585	692,242
Number of Stapled Securities ('000):		
- issued	865,497	860,615
- issuable	2,615	2,504
	868,112	863,119
NAV per Stapled Security (cents)	80.67	81.29
NTA per Stapled Security (cents)	79.78	80.20

8 A review of the performance for the quarter and the six months ended 30 June 2016

A review of the performance for 2Q2016 and 1H2016 is set out in Section 1(a) – Consolidated Statement of Total Return and Section 1(b)(i) – Statement of Financial Position as at 30 June 2016.

9 Where a forecast, or a prospect statement, has been previously disclosed to Stapled Securityholders, any variance between it and the actual results

No forecast or prospect statement for the financial year ending 31 December 2016 has been previously disclosed to Stapled Securityholders.

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

Based on advance estimates, the Singapore economy grew by 2.2% on a year-on-year basis in 2Q2016, marginally higher than the 2.1% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.8%, faster than the 0.2% growth in the preceding quarter. The manufacturing sector expanded by 0.8% on a year-on-year basis in 2Q2016, a reversal from the 0.5% decline in the previous quarter. Growth was supported by an increase in the output of the biomedical manufacturing and electronics clusters. On a quarter-on-quarter basis, the sector grew at an annualised rate of 0.3%, following the 18.4% growth in the preceding quarter¹.

An uptick in industrial indicators was observed with the 11.6% year-on-year growth in non-oil domestic exports figure and a 0.9% year-on-year growth in manufacturing output were registered in May 2016. Singapore Purchasing Manager's Index was also seen to be contracting at a smaller magnitude, adding some optimism in the manufacturing sector. In 2Q2016, demand remained patchy with most of the leasing interest stemming from the high-end manufacturing, biomedical manufacturing and logistics industries which require premises of higher specifications. However, such facilities remain limited in supply as they are well-sought after by the aforementioned industries. On the other hand, landlords of multi-tenanted conventional premises continue to face challenges in securing tenants. Hence they have been flexible in accommodating to tenants' requests and providing more rental incentives to boost overall occupancy levels².

According to CBRE Research, the business parks sector put in a resilient performance in 2Q2016 although effects from the weak overall business and property sentiments have begun to weigh on the market. Most of the demand has been focused on newly completed projects supported by smaller and mid-sized space requirements stemming from the consumer products, technology and biomedical sectors. There are also some deals in the pipeline from the technology and banking sectors looking for pockets of expansion in existing stock in the Rest of Island submarket. The City Fringe rent increased by 1.9% quarter-on-quarter in 2Q2016 to \$5.5psf/month while Rest of Island business parks rent remained stable at \$3.7psf/month. Looking forward, islandwide occupancy is expected to gradually improve as softer demand is balanced out by the lack of new multi-user completions. Landlords are expected to exercise caution given the narrowing premium between office and business parks rents, with focus on strengthening occupancy for the rest of 2016³.

Despite the subdued property market conditions, the REIT Manager has been successful in securing approximately 269,000 square feet of lease renewals and new leases in 1H2016. Against the backdrop of this challenging market, the REIT Manager will strive 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 look for good quality assets and pursue investment opportunities that will deliver stable distribution and maximize returns to Stapled Securityholders.

AEI at VBP

The AEI works for 750 have obtained TOP in May 2016 and the majority of the committed leases in respect of the 750 "white" space are scheduled to commence in 3Q2016. The remaining AEI works pertaining to 750B are in progress and are expected to be completed by 4Q2016. With the progressive completion of the AEI works, VBP is expected to progressively contribute additional income to VIT. The REIT Manager will continue to work towards securing tenants for the remaining "white" and business park space to boost the occupancy of VBP.

¹ "Singapore's GDP Grew by 2.2 Per Cent in the Second Quarter of 2016", Ministry of Trade and Industry Singapore, Press Release, 14 July 2016

² "One Direction No More", CBRE Singapore Market View, Q2 2016

³ "One Direction No More", CBRE Singapore Market View, Q2 2016

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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 1 April 2016 to 30 June 2016

Distribution type: Taxable income / Tax-exempt income

Distribution rate: 1.750 cents per Stapled Security comprising:
(a) taxable income - 1.466 cents
(b) tax exempt income - 0.284 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(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 16 June 2015 to 30 June 2015

Distribution type: Taxable income / Tax-exempt income

Distribution rate: 0.280 cents per Stapled Security comprising:
(a) taxable income - 0.211 cents
(b) tax exempt income - 0.069 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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Name of distribution:	Distribution for the period from 1 April 2015 to 15 June 2015
Distribution type:	Taxable income / Tax-exempt income
Distribution rate:	1.569 cents per Stapled Security comprising: (a) taxable income - 1.193 cents (b) tax exempt income - 0.376 cents
Tax Rate:	<u>Taxable income distribution</u> 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). <u>Tax exempt income distribution</u> 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: 4 August 2016

11(d) Date Payable: 29 August 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.

14 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 all 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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15 **Segment revenue and results**

	Stapled Group									
	2Q2016					2Q2015				
	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	13,864	2,331	1,435	5,757	23,387	12,359	2,369	479	2,608	17,815
Property expenses	(5,172)	(84)	(41)	(893)	(6,190)	(4,934)	(90)	(10)	(586)	(5,620)
Net property income	8,692	2,247	1,394	4,864	17,197	7,425	2,279	469	2,022	12,195
Rental support / rental arrangement	2,636	39	-	308	2,983	2,890	(10)	-	840	3,720
Reportable segment results	11,328	2,286	1,394	5,172	20,180	10,315	2,269	469	2,862	15,915
Unallocated items:										
- REIT Manager's fees					(1,532)					(1,194)
- REIT Trustee's fees					(46)					(45)
- Amortisation of intangible assets					(825)					(1,050)
- Other trust expenses					(196)					(204)
- Finance income					6					3
- Finance expenses					(4,815)					(3,768)
Net income					12,772					9,657
Change in fair value of investment properties					(278)					46,382
Change in fair value of derivative financial instruments					(1,293)					(1,238)
Total return for the period before income tax					11,201					54,801
Income tax expense					(503)					(580)
Total return for the period after income tax					10,698					54,221

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	Stapled Group									
	1H2016					1H2015				
	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	27,227	4,681	1,914	11,477	45,299	24,849	4,740	958	5,352	35,899
Property expenses	(10,300)	(168)	(52)	(1,784)	(12,304)	(9,915)	(178)	(23)	(1,174)	(11,290)
Net property income	16,927	4,513	1,862	9,693	32,995	14,934	4,562	935	4,178	24,609
Rental support / rental arrangement	5,685	61	-	652	6,398	5,793	(17)	-	1,544	7,320
Reportable segment results	22,612	4,574	1,862	10,345	39,393	20,727	4,545	935	5,722	31,929
Unallocated items:										
- REIT Manager's fees					(2,964)					(2,374)
- REIT Trustee's fees					(91)					(90)
- Amortisation of intangible assets					(1,650)					(2,100)
- Other trust expenses					(562)					(409)
- Finance income					31					3
- Finance expenses					(12,070)					(7,489)
Net income					22,087					19,470
Change in fair value of investment properties					(278)					46,382
Change in fair value of derivative financial instruments					(6,348)					1,032
Total return for the period before income tax					15,461					66,884
Income tax expense					(1,079)					(1,207)
Total return for the period after income tax					14,382					65,677

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16 Confirmation pursuant to Rule 705(5) of the Listing Manual

Pursuant to Rule 705(5) of the Listing Manual, we, on behalf of the directors of the Managers, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Managers which may render the unaudited financial results of the Stapled Group for the quarter and the six months ended 30 June 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors

Leong Horn Kee
Chairman

Wilson Ang Poh Seong
Chief Executive Officer and
Executive Director

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

27 July 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, Perpetual (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.