



**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.**

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

**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 September 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 September 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.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**Summary of results of Viva Industrial Trust**

	<b>Stapled Group</b>					
	<b>3Q2016</b>	<b>3Q2015</b>	<b>Variance</b>	<b>9M2016</b>	<b>9M2015</b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Gross revenue	24,252	18,388	31.9%	69,551	54,287	28.1%
Net property income	17,405	12,504	39.2%	50,400	37,113	35.8%
Distributable income <sup>(a)</sup>	15,713	11,622	35.2%	45,003	35,015	28.5%
Distribution per Stapled Security <sup>(b)</sup> (cents)	1.810	1.647	9.9%	5.198 <sup>(c)</sup>	5.366	-3.1%

**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 (“**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 9M2016 was higher than that of 9M2015, the DPS for 9M2016 was lower than that of 9M2015 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.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**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 September 2016 ("3Q2016")**

	Note	3Q2016			3Q2015			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)	24,252	24,252	-	18,388	18,388	-	31.9	31.9	-
Property expenses	(b)	(6,847)	(6,847)	-	(5,884)	(5,884)	-	16.4	16.4	-
<b>Net property income</b>		<b>17,405</b>	<b>17,405</b>	<b>-</b>	<b>12,504</b>	<b>12,504</b>	<b>-</b>	<b>39.2</b>	<b>39.2</b>	<b>-</b>
Rental support / rental arrangement	(a)	3,298	3,298	-	3,070	3,070	-	7.4	7.4	-
REIT Manager's fees	(c)	(1,589)	(1,589)	-	(1,179)	(1,179)	-	34.8	34.8	-
REIT Trustee's fees		(47)	(47)	-	(45)	(45)	-	4.4	4.4	-
Amortisation of intangible assets	(d)	(825)	(825)	-	(1,050)	(1,050)	-	(21.4)	(21.4)	-
Other trust expenses	(e)	(208)	(207)	(1)	(237)	(234)	(3)	(12.2)	(11.5)	(66.7)
Finance income		6	6	-	1	1	-	500.0	500.0	-
Finance expenses	(f)	(4,829)	(4,829)	-	(3,863)	(3,863)	-	25.0	25.0	-
<b>Net income</b>		<b>13,211</b>	<b>13,212</b>	<b>(1)</b>	<b>9,201</b>	<b>9,204</b>	<b>(3)</b>	<b>43.6</b>	<b>43.5</b>	<b>(66.7)</b>
Change in fair value of derivative financial instruments	(g)	(396)	(396)	-	1,360	1,360	-	n.m.	n.m.	-
<b>Total return before income tax</b>		<b>12,815</b>	<b>12,816</b>	<b>(1)</b>	<b>10,561</b>	<b>10,564</b>	<b>(3)</b>	<b>21.3</b>	<b>21.3</b>	<b>(66.7)</b>
Income tax expense	(h)	(557)	(557)	-	(497)	(497)	-	12.1	12.1	-
<b>Total return after income tax</b>		<b>12,258</b>	<b>12,259</b>	<b>(1)</b>	<b>10,064</b>	<b>10,067</b>	<b>(3)</b>	<b>21.8</b>	<b>21.8</b>	<b>(66.7)</b>

n.m. – not meaningful

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**Notes:**

- (a) The breakdown of gross revenue and rental differential derived from each property in 3Q2016, and the occupancy rate and weighted average lease expiry ("WALE") of each property as at 30 September 2016 are as follows:

	Stapled Group					
	3Q2016				3Q2015	
	Gross Revenue S\$'000	Rental differential S\$'000	Occupancy rate %	WALE <sup>(1)</sup> Years	Gross revenue S\$'000	Rental differential S\$'000
VBP	8,842	-	73	2.0	6,824	112
UEBH - Business Park Component	5,936	2,728	90	3.8	5,875	2,364
UEBH - Hotel Component	2,268	101	99	2.1	2,357	1
Mauser Singapore	478	-	100	2.7	479	-
JS	2,431	469	91	1.7	2,307	593
JDH	556	-	100	8.2	546	-
HFB	803	-	100	9.2	-	-
11 Ubi Road 1	1,803	-	100	9.2	-	-
30 Pioneer Road	1,135	-	100	4.5	-	-
	24,252	3,298			18,388	3,070

Note:

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

Gross revenue of S\$24.3 million for 3Q2016 was S\$5.9 million or 31.9% higher than that of 3Q2015 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\$1.1 million from 30 Pioneer Road, which was acquired by VI-REIT on 15 April 2016;
- higher other income contribution from UEBH by S\$0.1 million;
- higher rental and other income contribution from VBP by S\$2.0 million mainly due to additional income from the contestable electricity bulk purchase program and the retail units at 750 and 750A VBP; and
- higher rental contribution from JS by S\$0.1 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;

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

- (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\$3.3 million for 3Q2016 was S\$0.2 million or 7.4% higher than that of 3Q2015 mainly due to:

- higher rental top-up under the UEBH rental arrangement by S\$0.5 million mainly due to the step-up of 5% on the agreed amount of S\$26 million per annum as described in note (a)(i) above with effect from November 2015; partially offset by:
  - lower rental top-up under the JS rental support arrangement by S\$0.1 million as a result of higher gross revenue; and
  - the absence of rental top-up under the VBP rental support arrangement of S\$0.1 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\$6.8 million for 3Q2016 was S\$1.0 million or 16.4% higher than that of 3Q2015 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\$0.7 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\$1.6 million for 3Q2016 were S\$0.4 million or 34.8% higher than that of 3Q2015 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 3Q2016 was lower than that of 3Q2015 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.

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

- (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 3Q2016 were S\$1.0 million or 25.0% higher than that of 3Q2015 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 to partially fund the acquisition of 30 Pioneer Road and the AEI works at VBP.
- (g) 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\$0.4 million in 3Q2016 was mainly due to the decrease in the Singapore dollar Swap Offer Rate ("**SOR**") in 3Q2016.

- (h) 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\$0.6 million for 3Q2016 was S\$0.1 million or 12.1% higher than that of 3Q2015 mainly due to higher rental top-up received/receivable under the UEBH rental arrangement in 3Q2016.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**1(a)(ii) Distribution Statement**

Note	3Q2016		3Q2015		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 %
<b>Total return after income tax</b>	<b>12,258</b>	<b>12,259</b>	<b>10,064</b>	<b>10,067</b>	<b>21.8</b>	<b>21.8</b>
Net tax adjustments ( <b>Note A</b> )	3,454	3,454	1,555	1,555	122.1	122.1
<b>Net income available for distribution for the period</b>	<b>15,712</b>	<b>15,713</b>	<b>11,619</b>	<b>11,622</b>	<b>35.2</b>	<b>35.2</b>
Distribution per Stapled Security (cents):						
For the period		1.810		1.647		9.9
Annualised		7.201		6.534		10.2

**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**

	3Q2016		3Q2015		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 %
<b>Net tax adjustments comprise:</b>						
REIT Manager's fees payable in Stapled Securities	1,415	1,415	1,009	1,009	40.2	40.2
Property Manager's fees payable in Stapled Securities	525	525	357	357	47.1	47.1
REIT Trustee's fees	47	47	45	45	4.4	4.4
Adjustment for recognising rental income on a straight-line basis over the lease term	(207)	(207)	(106)	(106)	95.3	95.3
Amortisation of intangible assets	825	825	1,050	1,050	(21.4)	(21.4)
Amortisation of debt-related transaction costs	431	431	524	524	(17.7)	(17.7)
Change in fair value of derivative financial instruments	396	396	(1,360)	(1,360)	n.m.	n.m.
Other non-taxable items	22	22	36	36	(38.9)	(38.9)
<b>Net tax adjustments</b>	<b>3,454</b>	<b>3,454</b>	<b>1,555</b>	<b>1,555</b>	<b>122.1</b>	<b>122.1</b>

n.m. – not meaningful



**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**1(a)(iii) Consolidated Statement of Total Return for the nine months ended 30 September 2016**  
**("9M2016")**

	Note	9M2016			9M2015			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)	69,551	69,551	-	54,287	54,287	-	28.1	28.1	-
Property expenses	(b)	(19,151)	(19,151)	-	(17,174)	(17,174)	-	11.5	11.5	-
<b>Net property income</b>		<b>50,400</b>	<b>50,400</b>	<b>-</b>	<b>37,113</b>	<b>37,113</b>	<b>-</b>	<b>35.8</b>	<b>35.8</b>	<b>-</b>
Rental support / rental arrangement	(a)	9,696	9,696	-	10,390	10,390	-	(6.7)	(6.7)	-
REIT Manager's fees	(c)	(4,553)	(4,553)	-	(3,553)	(3,553)	-	28.1	28.1	-
REIT Trustee's fees		(138)	(138)	-	(135)	(135)	-	2.2	2.2	-
Amortisation of intangible assets	(d)	(2,475)	(2,475)	-	(3,150)	(3,150)	-	(21.4)	(21.4)	-
Other trust expenses	(e)	(770)	(766)	(4)	(646)	(641)	(5)	19.2	19.5	(20.0)
Finance income		37	37	-	4	4	-	825.0	825.0	-
Finance expenses	(f)	(16,899)	(16,899)	-	(11,352)	(11,352)	-	48.9	48.9	-
<b>Net income</b>		<b>35,298</b>	<b>35,302</b>	<b>(4)</b>	<b>28,671</b>	<b>28,676</b>	<b>(5)</b>	<b>23.1</b>	<b>23.1</b>	<b>(20.0)</b>
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)	(6,744)	(6,744)	-	2,392	2,392	-	n.m.	n.m.	-
<b>Total return before income tax</b>		<b>28,276</b>	<b>28,280</b>	<b>(4)</b>	<b>77,445</b>	<b>77,450</b>	<b>(5)</b>	<b>(63.5)</b>	<b>(63.5)</b>	<b>(20.0)</b>
Income tax expense	(i)	(1,636)	(1,636)	-	(1,704)	(1,704)	-	(4.0)	(4.0)	-
<b>Total return after income tax</b>		<b>26,640</b>	<b>26,644</b>	<b>(4)</b>	<b>75,741</b>	<b>75,746</b>	<b>(5)</b>	<b>(64.8)</b>	<b>(64.8)</b>	<b>(20.0)</b>

n.m. – not meaningful

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**Notes:**

- (a) The breakdown of gross revenue and rental differential derived from each property in 9M2016 are as follows:

	Stapled Group			
	9M2016		9M2015	
	Gross revenue S\$'000	Rental differential S\$'000	Gross revenue S\$'000	Rental differential S\$'000
<b>VBP</b>	24,380	-	19,909	510
<b>UEBH - Business Park Component</b>	17,625	8,413	17,639	7,759
<b>UEBH - Hotel Component</b>	6,949	162	7,097	(16)
<b>Mauser Singapore</b>	1,436	-	1,437	-
<b>JS</b>	7,579	1,121	6,563	2,137
<b>JDH</b>	1,674	-	1,642	-
<b>HFB</b>	2,408	-	-	-
<b>11 Ubi Road 1</b>	5,409	-	-	-
<b>30 Pioneer Road</b>	2,091	-	-	-
	69,551	9,696	54,287	10,390

Gross revenue of S\$69.6 million for 9M2016 was S\$15.3 million or 28.1% higher than that of 9M2015 mainly due to:

- additional rental contribution of S\$7.8 million from HFB and 11 Ubi Road 1, which were acquired by VI-REIT on 24 November 2015;
- additional rental contribution of S\$2.1 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\$4.5 million mainly due to additional income from the contestable electricity bulk purchase program and the retail units at 750 and 750A VBP; and
- higher rental contribution from JS by S\$0.9 million.

Income from rental support / rental arrangement of S\$9.7 million for 9M2016 was S\$0.7 million or 6.7% lower than that of 9M2015 mainly due to:

- lower rental top-up under the JS rental support arrangement by S\$1.0 million as a result of higher gross revenue; and
- the absence of rental top-up under the VBP rental support arrangement of S\$0.5 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\$0.8 million mainly due to 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.

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

- (b) Property expenses of S\$19.2 million for 9M2016 was S\$2.0 million or 11.5% higher than that of 9M2015 mainly due to:
- additional property expenses of S\$0.9 million pertaining to 11 Ubi Road 1, which was acquired on 24 November 2015; and
  - higher property expenses of S\$1.2 million pertaining to VBP;
  - partially offset by lower property expenses of S\$0.1 million pertaining to UEBH.
- (c) The REIT Manager's fees of S\$4.6 million for 9M2016 were S\$1.0 million or 28.1% higher than that of 9M2015 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 9M2016 was lower than that of 9M2015 by S\$0.7 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\$0.8 million for 9M2016 were S\$0.1 million or 19.2% higher than that of 9M2015 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\$16.9 million for 9M2016 were S\$5.5 million or 48.9% higher than that of 9M2015 mainly due to:
- additional interest expense of S\$2.1 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\$0.7 million incurred on the revolving credit facility drawn down 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, 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\$6.7 million in 9M2016 was mainly due to the significant decrease in the Singapore dollar SOR in 9M2016.
- (i) Income tax expense of S\$1.6 million for 9M2016 was S\$0.1 million or 4.0% lower than that of 9M2015 mainly due to lower rental top-up received/receivable in 9M2016.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**1(a) (iv) Distribution Statement**

Note	9M2016		9M2015		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 %
<b>Total return after income tax</b>	<b>26,640</b>	<b>26,644</b>	<b>75,741</b>	<b>75,746</b>	<b>(64.8)</b>	<b>(64.8)</b>
Net tax adjustments ( <b>Note A</b> )	18,359	18,359	(40,731)	(40,731)	n.m.	n.m.
<b>Net income available for distribution for the period</b>	<b>44,999</b>	<b>45,003</b>	<b>35,010</b>	<b>35,015</b>	<b>28.5</b>	<b>28.5</b>
Distribution per Stapled Security (cents):						
For the period		5.198		5.366		(3.1)
Annualised		6.943		7.174		(3.2)

**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**

	9M2016		9M2015		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 %
<b>Net tax adjustments comprise:</b>						
REIT Manager's fees paid/payable in Stapled Securities	4,031	4,031	3,038	3,038	32.7	32.7
Property Manager's fees paid/payable in Stapled Securities	1,461	1,461	1,040	1,040	40.5	40.5
REIT Trustee's fees	138	138	135	135	2.2	2.2
Adjustment for recognising rental income on a straight-line basis over the lease term	(1,104)	(1,104)	(1,006)	(1,006)	9.7	9.7
Amortisation of intangible assets	2,475	2,475	3,150	3,150	(21.4)	(21.4)
Amortisation of debt-related transaction costs	1,389	1,389	1,568	1,568	(11.4)	(11.4)
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	6,744	6,744	(2,392)	(2,392)	n.m.	n.m.
Other non-taxable items	256	256	118	118	116.9	116.9
<b>Net tax adjustments</b>	<b>18,359</b>	<b>18,359</b>	<b>(40,731)</b>	<b>(40,731)</b>	<b>n.m.</b>	<b>n.m.</b>

n.m. – not meaningful

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

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

**1(b)(i) Statement of Financial Position as at 30 September 2016**

Note	30 Sep 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
<b>Non-current assets</b>						
Investment properties (a)	1,193,251	1,193,251	-	1,123,200	1,123,200	-
Intangible assets (b)	6,903	6,903	-	9,378	9,378	-
	1,200,154	1,200,154	-	1,132,578	1,132,578	-
<b>Current assets</b>						
Trade and other receivables (c)	9,881	9,881	-	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)	14,260	14,226	34	47,884	47,848	36
	25,141	25,107	34	65,744	65,708	36
<b>Total assets</b>	<b>1,225,295</b>	<b>1,225,261</b>	<b>34</b>	<b>1,198,322</b>	<b>1,198,286</b>	<b>36</b>
<b>Non-current liabilities</b>						
Trade and other payables (g)	7,571	7,571	-	8,147	8,147	-
Interest-bearing borrowings (h)	482,077	482,077	-	305,173	305,173	-
Derivative financial instruments (d)	4,430	4,430	-	-	-	-
	494,078	494,078	-	313,320	313,320	-
<b>Current liabilities</b>						
Trade and other payables (g)	27,982	27,975	7	27,103	27,098	5
Interest-bearing borrowings (h)	-	-	-	154,044	154,044	-
Income tax payable	3,871	3,871	-	2,235	2,235	-
	31,853	31,846	7	183,382	183,377	5
<b>Total liabilities</b>	<b>525,931</b>	<b>525,924</b>	<b>7</b>	<b>496,702</b>	<b>496,697</b>	<b>5</b>
<b>Net assets</b>	<b>699,364</b>	<b>699,337</b>	<b>27</b>	<b>701,620</b>	<b>701,589</b>	<b>31</b>
<b>Represented by:</b>						
Stapled Securityholders' funds	699,364	699,337	27	701,620	701,589	31

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**Notes:**

- (a) Increase in investment properties of S\$70.0 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 9M2016.

Movements in the carrying value of investment properties during 9M2016 are as shown below:

	<b>S\$'000</b>
Carrying value of investment properties as at 1 January 2016	1,123,200
Acquisition of an investment property	51,652
Payment of stamp duty for an investment property	156
Acquisition related costs	583
Costs incurred for the AEI works at VBP	13,217
Other capital expenditure incurred	4,721
	<b>1,193,529</b>
<b>Change in fair value of investment properties recognised in the consolidated statement of total return</b>	<b>(278)</b>
Carrying value of investment properties as at 30 September 2016	1,193,251

- (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\$2.5 million due to amortisation charge for 9M2016.

- (c) Decrease in trade and other receivables of S\$4.7 million was mainly due to:
- deferred property tax of S\$4.3 million and deferred marketing commission of S\$0.4 million charged to the statement of total return in 9M2016;
  - 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\$0.6 million;
  - absence of GST receivable, which amounted to S\$0.5 million as at 31 December 2015; and
  - decrease in trade receivables of S\$1.1 million; partially offset by
    - increase in receivables of S\$1.1 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\$1.1 million incurred in 9M2016.
- (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 9M2016, the Stapled Group refinanced the 2013 Loan Facilities, which were due 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 9M2016, 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 September 2016.

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

- (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\$33.6 million as a result of net cash used in investing activities of S\$70.3 million and net cash used in financing activities of S\$28.5 million, partially offset by net cash generated from operating activities of S\$65.2 million. Please refer to the consolidated statement of cash flows for 9M2016 on page 17 of this announcement for further details.
- (g) Non-current trade and other payables comprise security deposits received from tenants. Increase in total trade and other payables of S\$0.3 million was mainly due to:
- increase in payables and accruals for trust and property-related expenses (including AEI costs and other capital expenditure) of S\$9.9 million;
  - GST payable of S\$0.9 million as at 30 September 2016 as compared to GST receivable as at 31 December 2015; and
  - increase in retention sum payable of S\$0.1 million; partially offset by:
    - decrease in property tax payable of S\$5.7 million;
    - decrease in security deposits received from tenants of S\$4.8 million; and
    - decrease in interest payable of S\$0.1 million.
- (h) Increase in total interest-bearing borrowings of S\$22.9 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\$1.4 million in 9M2016; 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 September 2016, the Stapled Group's current liabilities exceeded its current assets by S\$6.7 million (31 December 2015: S\$117.6 million). As the Stapled Group has unutilised committed revolving credit facility of S\$15 million as at 30 September 2016, the Managers are of the view that the Stapled Group will be able to meet its obligations as and when they fall due.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

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

	Note	Stapled Group	
		30 Sep 2016 S\$'000	31 Dec 2015 S\$'000
<b>Secured borrowings</b>	(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		(5,297)	(1,966)
		382,703	206,034
<b>Total secured borrowings</b>		<b>382,703</b>	<b>360,078</b>
<b>Unsecured borrowings</b>	(b)		
Amount repayable after one year		100,000	100,000
Less: Unamortised transaction costs		(626)	(861)
		99,374	99,139
<b>Total borrowings</b>		<b>482,077</b>	<b>459,217</b>
Current		-	154,044
Non-current		482,077	305,173
		<b>482,077</b>	<b>459,217</b>

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.



---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

S\$280 million in aggregate of the Term Loan Facilities have been drawn down as at 30 September 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 September 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 September 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.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

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

	<b>Stapled Group</b>			
	<b>3Q2016</b>	<b>3Q2015</b>	<b>9M2016</b>	<b>9M2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>				
Total return for the period before income tax	12,815	10,561	28,276	77,445
<b>Adjustments for:</b>				
Effects of recognising rental income on a straight-line basis over the lease term	(207)	(106)	(1,104)	(1,006)
Finance income	(6)	(1)	(37)	(4)
Finance expenses	4,829	3,863	16,899	11,352
Change in fair value of investment properties	-	-	278	(46,382)
Change in fair value of derivative financial instruments	396	(1,360)	6,744	(2,392)
Amortisation of intangible assets	825	1,050	2,475	3,150
REIT Manager's fees paid/payable in Stapled Securities	1,415	1,009	4,031	3,038
Property Manager's fees paid/payable in Stapled Securities	525	357	1,461	1,040
<b>Operating income before working capital changes</b>	<b>20,592</b>	<b>15,373</b>	<b>59,023</b>	<b>46,241</b>
<b>Changes in working capital:</b>				
Trade and other receivables	2,138	6,042	5,767	5,302
Trade and other payables	4,857	1,417	432	(267)
<b>Cash generated from operations</b>	<b>27,587</b>	<b>22,832</b>	<b>65,222</b>	<b>51,276</b>
Income taxes paid	-	(448)	-	(1,791)
<b>Net cash generated from operating activities</b>	<b>27,587</b>	<b>22,384</b>	<b>65,222</b>	<b>49,485</b>
<b>Cash flows from investing activities</b>				
Acquisition of an investment property	-	-	(52,235)	-
Refund of land premium for an investment property	-	-	-	56
Payment of differential premium and stamp duty for an investment property	(156)	-	(156)	(58,375)
Capital expenditure incurred	(5,895)	(4,968)	(17,938)	(4,968)
Interest received	2	1	33	4
<b>Net cash used in investing activities</b>	<b>(6,049)</b>	<b>(4,967)</b>	<b>(70,296)</b>	<b>(63,283)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of new Stapled Securities	-	-	-	63,072
Payment of issue expenses	-	-	-	(1,899)
Proceeds from borrowings	-	-	315,000	-
Repayment of borrowings	-	(1,000)	(290,000)	(7,000)
Payment of debt-related transaction costs	(6)	(9)	(5,419)	(15)
Payment of debt prepayment and cancellation fees	-	-	(801)	-
Payment of finance expenses	(5,463)	(4,375)	(12,942)	(10,875)
Distributions paid to Stapled Securityholders	(15,147)	(11,755)	(34,388)	(27,143)
<b>Net cash (used in) / generated from financing activities</b>	<b>(20,616)</b>	<b>(17,139)</b>	<b>(28,550)</b>	<b>16,140</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>922</b>	<b>278</b>	<b>(33,624)</b>	<b>2,342</b>
Cash and cash equivalents at beginning of the period	13,338	7,021	47,884	4,957
<b>Cash and cash equivalents at end of the period</b>	<b>14,260</b>	<b>7,299</b>	<b>14,260</b>	<b>7,299</b>

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

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

	<b>Stapled Group</b>			
	<b>3Q2016</b> <b>S\$'000</b>	<b>3Q2015</b> <b>S\$'000</b>	<b>9M2016</b> <b>S\$'000</b>	<b>9M2015</b> <b>S\$'000</b>
<b>Balance at beginning of the period</b>	<b>700,313</b>	<b>585,660</b>	<b>701,620</b>	<b>471,486</b>
<b>Operations</b>				
Total return for the period after income tax	12,258	10,064	26,640	75,741
<b>Net increase in net assets resulting from operations</b>	<b>12,258</b>	<b>10,064</b>	<b>26,640</b>	<b>75,741</b>
<b>Stapled Securityholders' transactions</b>				
Issuance of new Stapled Securities pursuant to a private placement	-	-	-	63,072
Issue expenses	-	-	-	(1,899)
Stapled Securities issued and issuable:				
- As payment of REIT Manager's fees	1,415	1,009	4,031	3,038
- As payment of Property Manager's fees	525	357	1,461	1,040
Distribution to Stapled Securityholders	(15,147)	(11,755)	(34,388)	(27,143)
<b>Net (decrease) / increase in net assets resulting from Stapled Securityholders' transactions</b>	<b>(13,207)</b>	<b>(10,389)</b>	<b>(28,896)</b>	<b>38,108</b>
<b>Balance at end of the period</b>	<b>699,364</b>	<b>585,335</b>	<b>699,364</b>	<b>585,335</b>

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

	<b>Stapled Group</b>			
	<b>3Q2016</b> <b>Units</b>	<b>3Q2015</b> <b>Units</b>	<b>9M2016</b> <b>Units</b>	<b>9M2015</b> <b>Units</b>
<b>Stapled Securities in issue at beginning of the period</b>	865,497,351	703,915,101	860,615,215	620,241,958
Issuance of new Stapled Securities pursuant to a private placement	-	-	-	80,347,100
New Stapled Securities issued as payment of:				
- REIT Manager's fees	1,919,076	1,286,644	5,626,709	3,752,337
- Property Manager's fees	695,731	430,704	1,870,234	1,291,054
<b>Total issued Stapled Securities</b>	<b>868,112,158</b>	<b>705,632,449</b>	<b>868,112,158</b>	<b>705,632,449</b>
New Stapled Securities issuable as payment of:				
- REIT Manager's fees	1,810,703	1,377,528	1,810,703	1,377,528
- Property Manager's fees	671,518	487,038	671,518	487,038
<b>Total issued and issuable Stapled Securities at end of the period</b>	<b>870,594,379</b>	<b>707,497,015</b>	<b>870,594,379</b>	<b>707,497,015</b>

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

**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.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

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

		<b>Stapled Group</b>			
<b>Note</b>	<b>3Q2016</b>	<b>3Q2015</b>	<b>9M2016</b>	<b>9M2015</b>	
<b>EPS is calculated based on:</b>					
Total return after income tax (S\$'000)	12,258	10,064	26,640	75,741	
Weighted average number of issued and issuable Stapled Securities during the period ('000)	868,139	705,653	865,594	655,090	
Basic and diluted EPS (cents)	(a) 1.412	1.426	3.078	11.562	
<b>DPS is calculated based on:</b>					
Net income available for distribution for the period (S\$'000)	(b) 15,713	11,622	45,003	35,015	
Applicable number of Stapled Securities for calculation of DPS ('000)	868,112	705,632	865,658	652,534	
DPS (cents)	(c) 1.810	1.647	5.198	5.366	

**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 3Q2016 and 9M2016 without the effects of rental support / rental arrangement would be 1.499 cents (3Q2015: 1.290 cents) and 4.279 cents (9M2015: 4.060 cents), respectively.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

**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**

	<b>Stapled Group</b>	
	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
<b>NAV / NTA per Stapled Security is calculated based on:</b>		
Net assets (S\$'000)	699,364	701,620
Net tangible assets (S\$'000)	692,461	692,242
Number of Stapled Securities ('000):		
- issued	868,112	860,615
- issuable	2,482	2,504
	<b>870,594</b>	<b>863,119</b>
NAV per Stapled Security (cents)	80.33	81.29
NTA per Stapled Security (cents)	79.54	80.20

**8 A review of the performance for the quarter and the nine months ended 30 September 2016**

A review of the performance for 3Q2016 and 9M2016 is set out in Section 1(a) – Consolidated Statement of Total Return and Section 1(b)(i) – Statement of Financial Position as at 30 September 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 0.6% on a year-on-year basis in 3Q2016, easing from the 2.0% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 4.1%, a reversal from the 0.2% growth in the preceding quarter. The manufacturing sector contracted by 1.1% on a year-on-year basis in 3Q2016, reversing the 1.4% expansion in the previous quarter. The sector was primarily weighed down by a decline in the output of the transport engineering, biomedical manufacturing and general manufacturing clusters. On a quarter-on-quarter basis, the sector contracted at an annualised rate of 17.4%, a pullback from the 2.1% growth in the preceding quarter<sup>1</sup>.

Despite the slowdown in economic growth, the September 2016 reading<sup>2</sup> of Singapore Purchasing Managers' Index ("**PMI**") recorded a marginal expansion at 50.1, an increase of 0.3 point from the previous month. This is the first expansion reading for the PMI, which had recorded 14 months of consecutive contractions. The marginal expansion was attributed to higher readings in new orders, new exports, and factory output. Both the manufacturing inventory and finished goods recorded a faster rate of expansion, despite a slower rate of expansion for supplier deliveries.

According to Knight Frank<sup>3</sup>, the industrial sector continued to face strong headwinds in most industries and sectors, putting further pressure on both industrial space rentals and prices in 3Q2016. Overall island-wide rents softened further in 3Q2016, with a decline of 1.2% quarter-on-quarter to \$2.08 per square feet per month ("**psf pm**"), as rents across most locations dropped. Knight Frank forecasts that average island-wide industrial rents could decline by 6.0% to 8.0% year-on-year in 4Q2016.

For the business park sector, rentals moderated downwards by 4.1% quarter-on-quarter to \$4.22 psf pm in 3Q2016 on the back of the challenging business climate with tenants remaining cautious on their business space needs. Nonetheless, business park space that has flexible layout, ready amenities, good connectivity, and is clustered within established business park zones are still well-occupied.

For the industrial sector in general, the persistently lacklustre manufacturing growth data points to likely weak demand for industrial space continuing as more businesses consolidate and as supply completions of industrial space come on-stream.

Despite operating in a challenging business environment, the REIT Manager has been successful in securing approximately 502,000 square feet of new leases and lease renewals in 9M2016. Moving forward, the REIT Manager will continue to drive organic growth through proactive asset management by improving occupancy of the portfolio. The REIT Manager will also continue to seek out good quality assets and pursue accretive inorganic growth opportunities that will deliver stable distribution and create value for Stapled Securityholders.

**AEI at VBP**

After obtaining TOP for both 750A (Phase 1) and 750 (Phase 2) in the first half of 2016, the AEI works at 750B (Phase 3) are expected to be completed by 4Q2016. The REIT Manager has secured committed leases for approximately 93.4% of the total "white" space at VBP from 21 tenants supporting the three core themes of Sports and Fitness, Food and Beverages and Family-Oriented amenities. The REIT Manager will continue to focus on the execution and completion of the transformation of VBP, while remaining proactive in securing new tenants to drive up VBP's occupancy as the AEI works progress towards completion.

---

<sup>1</sup> "Singapore's GDP Grew by 0.6 Per Cent in Third Quarter of 2016", Ministry of Trade and Industry Singapore, Press Release, 14 October 2016

<sup>2</sup> PMI Monthly Bulletin by Singapore Institute of Purchasing & Materials Management, October 2016

<sup>3</sup> Singapore Industrial Market Q3 2016 Research Bulletin, Knight Frank, Q3 2016

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

**11 Distributions**

**11(a) Current financial period**

Any distribution declared for the current period?

Yes.

Name of distribution: Distribution for the period from 1 July 2016 to 30 September 2016

Distribution type: Taxable income / Tax-exempt income

Distribution rate: 1.810 cents per Stapled Security comprising:  
(a) taxable income - 1.497 cents  
(b) tax exempt income - 0.313 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 1 July 2015 to 30 September 2015

Distribution type: Taxable income / Tax-exempt income

Distribution rate: 1.647 cents per Stapled Security comprising:  
(a) taxable income - 1.303 cents  
(b) tax exempt income - 0.344 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.



---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

**11(c) Books closure date:** 4 November 2016

**11(d) Date Payable:** 28 November 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.

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

15 **Segment revenue and results**

	<b>Stapled Group</b>									
	<b>3Q2016</b>					<b>3Q2015</b>				
	<b>Business Park</b>	<b>Hotel</b>	<b>Logistics</b>	<b>Light Industrial</b>	<b>Total</b>	<b>Business Park</b>	<b>Hotel</b>	<b>Logistics</b>	<b>Light Industrial</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Gross revenue	14,778	2,268	1,613	5,593	24,252	12,699	2,357	479	2,853	18,388
Property expenses	(5,829)	(82)	(46)	(890)	(6,847)	(5,187)	(88)	(10)	(599)	(5,884)
<b>Net property income</b>	<b>8,949</b>	<b>2,186</b>	<b>1,567</b>	<b>4,703</b>	<b>17,405</b>	<b>7,512</b>	<b>2,269</b>	<b>469</b>	<b>2,254</b>	<b>12,504</b>
Rental support / rental arrangement	2,728	101	-	469	3,298	2,476	1	-	593	3,070
<b>Reportable segment results</b>	<b>11,677</b>	<b>2,287</b>	<b>1,567</b>	<b>5,172</b>	<b>20,703</b>	<b>9,988</b>	<b>2,270</b>	<b>469</b>	<b>2,847</b>	<b>15,574</b>
Unallocated items:										
- REIT Manager's fees					(1,589)					(1,179)
- REIT Trustee's fees					(47)					(45)
- Amortisation of intangible assets					(825)					(1,050)
- Other trust expenses					(208)					(237)
- Finance income					6					1
- Finance expenses					(4,829)					(3,863)
<b>Net income</b>					<b>13,211</b>					<b>9,201</b>
Change in fair value of derivative financial instruments					(396)					1,360
<b>Total return for the period before income tax</b>					<b>12,815</b>					<b>10,561</b>
Income tax expense					(557)					(497)
<b>Total return for the period after income tax</b>					<b>12,258</b>					<b>10,064</b>

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

	Stapled Group									
	9M2016					9M2015				
	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	42,005	6,949	3,527	17,070	69,551	37,548	7,097	1,437	8,205	54,287
Property expenses	(16,129)	(250)	(98)	(2,674)	(19,151)	(15,102)	(266)	(33)	(1,773)	(17,174)
<b>Net property income</b>	<b>25,876</b>	<b>6,699</b>	<b>3,429</b>	<b>14,396</b>	<b>50,400</b>	<b>22,446</b>	<b>6,831</b>	<b>1,404</b>	<b>6,432</b>	<b>37,113</b>
Rental support / rental arrangement	8,413	162	-	1,121	9,696	8,269	(16)	-	2,137	10,390
<b>Reportable segment results</b>	<b>34,289</b>	<b>6,861</b>	<b>3,429</b>	<b>15,517</b>	<b>60,096</b>	<b>30,715</b>	<b>6,815</b>	<b>1,404</b>	<b>8,569</b>	<b>47,503</b>
Unallocated items:										
- REIT Manager's fees					(4,553)					(3,553)
- REIT Trustee's fees					(138)					(135)
- Amortisation of intangible assets					(2,475)					(3,150)
- Other trust expenses					(770)					(646)
- Finance income					37					4
- Finance expenses					(16,899)					(11,352)
<b>Net income</b>					<b>35,298</b>					<b>28,671</b>
Change in fair value of investment properties					(278)					46,382
Change in fair value of derivative financial instruments					(6,744)					2,392
<b>Total return for the period before income tax</b>					<b>28,276</b>					<b>77,445</b>
Income tax expense					(1,636)					(1,704)
<b>Total return for the period after income tax</b>					<b>26,640</b>					<b>75,741</b>

---

**Viva Industrial Trust**  
**Unaudited Financial Statements Announcement**  
**For the third quarter and nine months ended 30 September 2016**

---

**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 nine months ended 30 September 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

21 October 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.