VIVA INDUSTRIAL TRUST

Comprising:

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

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

Viva Industrial Trust Management Pte. Ltd.

VIVA INDUSTRIAL BUSINESS TRUST

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

Viva Asset Management Pte. Ltd.

INTRODUCTION

Viva Industrial Trust ("**VIT**") is a stapled group (the "**Stapled Group**") comprising Viva Industrial Real Estate Investment Trust ("**VI-REIT**") and its subsidiary (collectively, "**VI-REIT Group**") and Viva Industrial Business Trust ("**VI-BT**"). 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 inactive since its constitution on 14 October 2013.

As at 30 September 2017, VI-REIT has a diversified portfolio of nine properties located in Singapore comprising:

- two business parks, namely UE BizHub EAST ("**UEBH**") which includes a hotel, and Viva Business Park ("**VBP**");
- three logistics properties, namely Mauser Singapore, 30 Pioneer Road and 6 Chin Bee Avenue; 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 annual distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

As at 30 September 2017, 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.

Summary of results of Viva Industrial Trust

	Stapled Group					
	3Q2017 S$'000	3Q2016 S$'000	Variance %	9M2017 S$'000	9M2016 S$'000	Variance %
Gross revenue	28,337	24,252	16.8%	83,322	69,551	19.8%
Net property income	20,598	17,405	18.3%	61,149	50,400	21.3%
Distributable income	17,851	15,713	13.6%	56,629	45,003	25.8%
Distribution declared[(a)]	18,430	15,713	17.3%	54,242	45,003	20.5%
Distribution per Stapled Security[(b)] (cents)	1.900	1.810	5.0%	5.615	5.198	8.0%

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 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 22 of this announcement for the calculation of DPS.

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 third quarter ended 30 September 2017 ("3Q2017")

	Note	3Q2017			3Q2016			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)	28,337	28,337	-	24,252	24,252	-	16.8	16.8	-
Property expenses	(b)	(7,739)	(7,739)	-	(6,847)	(6,847)	-	13.0	13.0	-
Net property income		**20,598**	**20,598**	**-**	**17,405**	**17,405**	**-**	18.3	18.3	**-**
Rental support / rental arrangement	(a)	2,249	2,249	-	3,298	3,298	-	(31.8)	(31.8)	-
REIT Manager's fees	(c)	(1,795)	(1,795)	-	(1,589)	(1,589)	-	13.0	13.0	-
REIT Trustee's fees		(49)	(49)	-	(47)	(47)	-	4.3	4.3	-
Amortisation of intangible assets	(d)	(825)	(825)	-	(825)	(825)	-	-	-	-
Other trust expenses	(e)	(480)	(479)	(1)	(208)	(207)	(1)	130.8	131.4	-
Finance income		5	5	-	6	6	-	(16.7)	(16.7)	-
Finance expenses	(f)	(5,201)	(5,201)	-	(4,829)	(4,829)	-	7.7	7.7	-
Net income		**14,502**	**14,503**	**(1)**	**13,211**	**13,212**	**(1)**	9.8	9.8	-
Change in fair value of derivative financial instruments	(g)	1,037	1,037	-	(396)	(396)	-	n.m.	n.m.	-
Total return before income tax		**15,539**	**15,540**	**(1)**	**12,815**	**12,816**	**(1)**	21.3	21.3	-
Income tax expense	(h)	(380)	(380)	-	(557)	(557)	-	(31.8)	(31.8)	-
Total return after income tax		**15,159**	**15,160**	**(1)**	**12,258**	**12,259**	**(1)**	23.7	23.7	-

n.m. – not meaningful

Notes:

(a) The breakdown of gross revenue and rental differential derived from each property in 3Q2017, and the occupancy rate and weighted average lease expiry ("**WALE**") of each property as at 30 September 2017 are as follows:

	Stapled Group					
	3Q2017				3Q2016	
	Gross Revenue S$'000	Rental differential S$'000	Occupancy rate %	WALE (1) Years	Gross revenue S$'000	Rental differential S$'000
VBP	10,699	-	79	2.2	8,842	-
UEBH - Business Park Component	6,614	2,119	90	2.9	5,936	2,728
UEBH – Hotel Component (2)	2,237	130	99	1.1	2,268	101
Mauser Singapore	478	-	100	1.7	478	-
JS	2,108	-	89	2.1	2,431	469
JDH	540	-	100	7.1	556	-
HFB	804	-	100	8.2	803	-
11 Ubi Road 1	1,803	-	100	8.2	1,803	-
30 Pioneer Road	1,134	-	100	3.5	1,135	-
6 Chin Bee Avenue	1,920	-	100	6.3	-	-
	28,337	2,249			24,252	3,298

Notes:

(1) WALE is calculated based on the underlying committed gross rental income as at 30 September 2017 assuming renewal options are not exercised.

(2) Includes the Hotel Leased Premises being leased to a single tenant under a hotel lease agreement at a fixed rental of S$8.55 million per annum for the first five-year term commencing from 4 November 2013, with the tenant obliged to renew the lease, subject to approval by JTC Corporation, at a fixed rental of S$9.66 million per annum for the second five-year term commencing from 4 November 2018.

Gross revenue of S$28.3 million for 3Q2017 was S$4.1 million or 16.8% higher than that of 3Q2016 mainly due to:

- additional rental contribution of S$1.9 million from 6 Chin Bee Avenue, which was acquired by VI-REIT on 16 January 2017;
- higher rental and other income contribution of S$1.8 million from VBP, which arose mainly from its business park and retail space, and its contestable electricity bulk purchase program; and
- higher rental and other income contribution of S$0.7 million from UEBH;
- partially offset by lower rental contribution of S$0.3 million from JS.

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; and

(ii) the JS rental support arrangement, pursuant to which the vendor of JS, Jackson International Private Limited ("**JIPL**"), 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$2.2 million for 3Q2017 was S$1.0 million or 31.8% lower than that of 3Q2016 mainly due to:

- the absence of rental top-up under the JS rental support arrangement in 3Q2017 as a result of the settlement agreement entered into with JIPL on 19 May 2017 pursuant to which, among other things, JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement upon VI-REIT's receipt of a cash payment of S$1.0 million and the proceeds of S$3.9 million from the drawdown of the JS rental support bank guarantee (the "**JS Rental Support Settlement**") (Please refer to the announcement dated 21 May 2017 titled "Settlement Agreement with Jackson International Private Limited and Mr Tan Phong Guan" for further details); and
- lower rental top-up under the UEBH rental arrangement of S$0.5 million as a result of higher net rental income derived from UEBH.

(b) Property expenses of S$7.7 million for 3Q2017 was S$0.9 million or 13.0% higher than that of 3Q2016 mainly due to higher property expenses of S$0.6 million and S$0.3 million pertaining to VBP and UEBH, respectively.

(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$1.8 million for 3Q2017 were S$0.2 million or 13.0% higher than that of 3Q2016 due to the increase in distributable income of VI-REIT as a result of higher gross revenue as explained in note (a) above.

(d) This relates to the amortisation of the rental differential to be provided to VI-REIT by the vendor of UEBH pursuant to the UEBH rental arrangement as described in note (a) above. Such rental differential is amortised on a straight-line basis over the duration of the UEBH rental arrangement of five years from the Listing Date.

(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$0.5 million for 3Q2017 were S$0.3 million or 130.8% higher than that of 3Q2016 mainly due to higher legal and professional fees incurred.

(f) Finance expenses generally include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S$5.2 million for 3Q2017 were S$0.4 million or 7.7% higher than that of 3Q2016 mainly due to additional interest expense incurred on the additional borrowings drawn down to partially fund the asset enhancement initiative ("**AEI**") at VBP and the acquisition of 6 Chin Bee Avenue.

(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 gain on interest rate swaps of S$1.0 million in 3Q2017 was mainly due to the increase in the Singapore dollar Swap Offer Rate ("**SOR**") in 3Q2017.

(h) In 1Q2017, the Income Tax Act was amended to allow tax transparency treatment to be accorded to rental income support payments received on or after 29 December 2016 subject to certain conditions being met. In this connection, the REIT Manager has submitted an application to the Inland Revenue Authority of Singapore ("**IRAS**") to seek an advance ruling on whether tax transparency treatment would be accorded to the rental income support received/receivable by VI-REIT under the UEBH rental arrangement and the JS rental support arrangement from 29 December 2016 onwards in accordance with the relevant provisions of the amended Income Tax Act. However, the IRAS has informed the REIT Manager that it would not make an advance ruling on the aforesaid tax treatment but would determine the tax treatment at the tax assessment stage.

In view of the above, the Stapled Group has continued to make provision for income tax expense in respect of the rental income support received/receivable under the UEBH rental arrangement and the JS rental support arrangement.

Income tax expense of S$0.4 million for 3Q2017 was S$0.2 million or 31.8% lower than that of 3Q2016 mainly due to lower rental support in 3Q2017 as explained in note (a) above.

1(a)(ii) Distribution Statement

	Note	3Q2017		3Q2016		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		**15,159**	**15,160**	**12,258**	**12,259**	**23.7**	**23.7**
Net tax adjustments (**Note A**)		2,691	2,691	3,454	3,454	(22.1)	(22.1)
Distributable income		**17,850**	**17,851**	**15,712**	**15,713**	**13.6**	**13.6**
Release of previously retained distributable income	(a)	579	579	-	-	n.m.	n.m.
Distribution declared	(b)	**18,429**	**18,430**	**15,712**	**15,713**	**17.3**	**17.3**
Distribution per Stapled Security (cents):							
For the period	(c)		1.900		1.810		5.0
Annualised			7.538		7.201		4.7

n.m. – not meaningful

Notes:

(a) The release of previously retained distributable income is made on the basis as if the JS rental support arrangement is still in place notwithstanding the JS Rental Support Settlement as elaborated in note (a) on page 5 of this announcement.

(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 distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.

(c) Please refer to section 6 on page 22 of this announcement for the calculation of Distribution per Stapled Security.

Note A

	3Q2017		3Q2016		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	1,694	1,694	1,415	1,415	19.7	19.7
Property Manager's fees payable in Stapled Securities	719	719	525	525	37.0	37.0
REIT Trustee's fees	49	49	47	47	4.3	4.3
Adjustment for recognising rental income on a straight-line basis over the lease term	(315)	(315)	(207)	(207)	52.2	52.2
Amortisation of intangible assets	825	825	825	825	-	-
Amortisation of debt-related transaction costs	480	480	431	431	11.4	11.4
Change in fair value of derivative financial instruments	(1,037)	(1,037)	396	396	n.m.	n.m.
Others	276	276	22	22	1,154.5	1,154.5
Net tax adjustments	**2,691**	**2,691**	**3,454**	**3,454**	**(22.1)**	**(22.1)**

n.m. – not meaningful

1(a)(iii) Consolidated Statement of Total Return for the nine months ended 30 September 2017 ("9M2017")

	Note	9M2017			9M2016			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)	83,322	83,322	-	69,551	69,551	-	19.8	19.8	-
Property expenses	(b)	(22,173)	(22,173)	-	(19,151)	(19,151)	-	15.8	15.8	-
Net property income		**61,149**	**61,149**	**-**	**50,400**	**50,400**	-	21.3	21.3	-
Rental support / rental arrangement	(a)	12,288	12,288	-	9,696	9,696	-	26.7	26.7	-
REIT Manager's fees	(c)	(5,747)	(5,747)	-	(4,553)	(4,553)	-	26.2	26.2	-
REIT Trustee's fees		(146)	(146)	-	(138)	(138)	-	5.8	5.8	-
Amortisation of intangible assets	(d)	(2,475)	(2,475)	-	(2,475)	(2,475)	-	-	-	-
Other trust expenses	(e)	(1,151)	(1,147)	(4)	(770)	(766)	(4)	49.5	49.7	-
Finance income		15	15	-	37	37	-	(59.5)	(59.5)	-
Finance expenses	(f)	(15,235)	(15,235)	-	(16,899)	(16,899)	-	(9.8)	(9.8)	-
Net income		**48,698**	**48,702**	**(4)**	**35,298**	**35,302**	**(4)**	38.0	38.0	-
Change in fair value of investment properties	(g)	(2,239)	(2,239)	-	(278)	(278)	-	705.4	705.4	-
Change in fair value of derivative financial instruments	(h)	(1,787)	(1,787)	-	(6,744)	(6,744)	-	(73.5)	(73.5)	-
Total return before income tax		**44,672**	**44,676**	**(4)**	**28,276**	**28,280**	**(4)**	58.0	58.0	-
Income tax expense	(i)	(2,071)	(2,071)	-	(1,636)	(1,636)	-	26.6	26.6	-
Total return after income tax		**42,601**	**42,605**	**(4)**	**26,640**	**26,644**	**(4)**	59.9	59.9	-

Notes:

(a) The breakdown of gross revenue and rental differential derived from each property in 9M2017 are as follows:

	Stapled Group			
	9M2017		9M2016	
	Gross revenue S$'000	Rental differential S$'000	Gross revenue S$'000	Rental differential S$'000
VBP	31,004	-	24,380	-
UEBH - Business Park Component	19,108	6,672	17,625	8,413
UEBH - Hotel Component	6,738	363	6,949	162
Mauser Singapore	1,436	-	1,436	-
JS	6,740	5,253	7,579	1,121
JDH	1,622	-	1,674	-
HFB	2,408	-	2,408	-
11 Ubi Road 1	5,409	-	5,409	-
30 Pioneer Road	3,402	-	2,091	-
6 Chin Bee Avenue	5,455	-	-	-
	83,322	12,288	69,551	9,696

Gross revenue of S$83.3 million for 9M2017 was S$13.8 million or 19.8% higher than that of 9M2016 mainly due to:

- additional rental contribution of S$5.4 million from 6 Chin Bee Avenue, which was acquired by VI-REIT on 16 January 2017;
- additional rental contribution of S$1.3 million from 30 Pioneer Road, which was acquired by VI-REIT on 15 April 2016;
- higher rental and other income contribution of S$6.6 million from VBP, which arose mainly from its business park and retail space, and its contestable electricity bulk purchase program; and
- higher rental and other income contribution of S$1.3 million from UEBH;
- partially offset by lower rental contribution of S$0.8 million from JS.

Income from rental support / rental arrangement of S$12.3 million for 9M2017 was S$2.6 million or 26.7% higher than that of 9M2016 mainly due to:

- higher rental top-up under the JS rental support arrangement of S$4.1 million as a result of recognising S$4.9 million of rental top-up in 9M2017 due to the JS Rental Support Settlement as elaborated in note (a) on page 5 of this announcement;
- partially offset by lower rental top-up under the UEBH rental arrangement of S$1.5 million as a result of higher net rental income derived from UEBH.

(b) Property expenses of S$22.2 million for 9M2017 was S$3.0 million or 15.8% higher than that of 9M2016 mainly due to higher property expenses of:

- S$2.5 million pertaining to VBP;
- S$0.4 million pertaining to UEBH; and
- S$0.1 million pertaining to 6 Chin Bee Avenue.

(c) The REIT Manager's fees of S$5.7 million for 9M2017 were S$1.2 million or 26.2% higher than that of 9M2016 mainly due to the increase in distributable income of VI-REIT as a result of higher gross revenue and rental support in 9M2017 as explained in note (a) above.

(d) This relates to the amortisation of the rental differential to be provided to VI-REIT by the vendor of UEBH pursuant to the UEBH rental arrangement 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 of five years from the Listing Date.

(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$1.2 million for 9M2017 were S$0.4 million or 49.5% higher than that of 9M2016 mainly due to higher legal and professional fees and investor relations costs incurred.

(f) Finance expenses generally include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S$15.2 million for 9M2017 were S$1.7 million or 9.8% lower than that of 9M2016 mainly due to:

- write-off of unamortised debt-related transaction costs of S$1.9 million and prepayment/cancellation fees of S$0.8 million arising from the early refinancing of S$315 million loan facilities in 9M2016;
- partially offset by additional interest expense of S$1.0 million incurred in 9M2017 due to additional borrowings drawn down to partially fund the AEI at VBP and the acquisition of 30 Pioneer Road and 6 Chin Bee Avenue.

(g) This relates mainly to the fair value loss arising from the acquisition of 6 Chin Bee Avenue in 9M2017. Please refer to note (a) on page 14 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$1.8 million in 9M2017 was mainly due to the decrease in the Singapore dollar SOR in 9M2017.

(i) Income tax expense of S$2.1 million for 9M2017 was S$0.4 million or 26.6% higher than that of 9M2016 mainly due to higher rental support in 9M2017 as explained in note (a) above.

1(a) (iv) Distribution Statement

	Note	9M2017		9M2016		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		**42,601**	**42,605**	**26,640**	**26,644**	**59.9**	**59.9**
Net tax adjustments (**Note A**)		14,024	14,024	18,359	18,359	(23.6)	(23.6)
Distributable income		**56,625**	**56,629**	**44,999**	**45,003**	**25.8**	**25.8**
Retention of distributable income	(a)	(2,387)	(2,387)	-	-	n.m.	n.m.
Distribution declared	(b)	**54,238**	**54,242**	**44,999**	**45,003**	**20.5**	**20.5**
Distribution per Stapled Security (cents):							
For the period	(c)		5.615		5.198		8.0
Annualised			7.507		6.943		8.1

n.m. – not meaningful

Notes:

(a) The retention of distributable income is made on the basis as if the JS rental support arrangement is still in place notwithstanding the JS Rental Support Settlement as elaborated in note (a) on page 5 of this announcement.

(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 distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.

(c) Please refer to section 6 on page 22 of this announcement for the calculation of Distribution per Stapled Security.

Note A

	9M2017		9M2016		Inc / (Dec)	
	Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group %	VI-REIT Group %
Net tax adjustments comprise:						
REIT Manager's fees paid/payable in Stapled Securities	4,902	4,902	4,031	4,031	21.6	21.6
Property Manager's fees paid/payable in Stapled Securities	2,081	2,081	1,461	1,461	42.4	42.4
REIT Trustee's fees	146	146	138	138	5.8	5.8
Adjustment for recognising rental income on a straight-line basis over the lease term	(1,426)	(1,426)	(1,104)	(1,104)	29.2	29.2
Amortisation of intangible assets	2,475	2,475	2,475	2,475	-	-
Amortisation of debt-related transaction costs	1,402	1,402	1,389	1,389	0.9	0.9
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	2,239	2,239	278	278	705.4	705.4
Change in fair value of derivative financial instruments	1,787	1,787	6,744	6,744	(73.5)	(73.5)
Others	418	418	256	256	63.3	63.3
Net tax adjustments	**14,024**	**14,024**	**18,359**	**18,359**	**(23.6)**	**(23.6)**

n.m. – not meaningful

1(b) Statement of Financial Position

1(b)(i) Statement of Financial Position as at 30 September 2017

	Note	30 Sep 2017			31 Dec 2016		
		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)	1,296,264	1,296,264	-	1,199,700	1,199,700	-
Intangible assets	(b)	3,603	3,603	-	6,078	6,078	-
		1,299,867	1,299,867	-	1,205,778	1,205,778	-
Current assets							
Trade and other receivables	(c)	14,251	14,251	-	17,666	17,666	-
Pledged deposits	(d)	1,230	1,230	-	1,000	1,000	-
Cash and cash equivalents	(e)	16,961	16,933	28	29,462	29,428	34
		32,442	32,414	28	48,128	48,094	34
Total assets		**1,332,309**	**1,332,281**	**28**	**1,253,906**	**1,253,872**	**34**
Non-current liabilities							
Trade and other payables	(f)	9,194	9,194	-	7,986	7,986	-
Interest-bearing borrowings	(g)	423,374	423,374	-	461,509	461,509	-
Derivative financial instruments	(h)	3,204	3,204	-	1,778	1,778	-
		435,772	435,772	-	471,273	471,273	-
Current liabilities							
Trade and other payables	(f)	26,181	26,177	4	39,306	39,300	6
Interest-bearing borrowings	(g)	99,690	99,690	-	-	-	-
Derivative financial instruments	(h)	362	362	-	-	-	-
Income tax payable		4,216	4,216	-	4,380	4,380	-
		130,449	130,445	4	43,686	43,680	6
Total liabilities		**566,221**	**566,217**	**4**	**514,959**	**514,953**	**6**
Net assets		**766,088**	**766,064**	**24**	**738,947**	**738,919**	**28**
Represented by:							
Stapled Securityholders' funds		**766,088**	**766,064**	**24**	**738,947**	**738,919**	**28**

Notes:

(a) Increase in investment properties of S$96.6 million was mainly due to the acquisition of 6 Chin Bee Avenue and the costs of the AEI works and other capital expenditure at VBP incurred during 9M2017.

Movements in the carrying value of investment properties during 9M2017 are as shown below:

	S$'000
Carrying value of investment properties as at 1 January 2017	1,199,700
Acquisition of an investment property	95,338
Payment of stamp duty for an investment property	154
Acquisition related costs	979
Costs incurred for the AEI works at VBP	794
Other capital expenditure incurred	1,538
	1,298,503
Change in fair value of investment properties recognised in the consolidated statement of total return	(2,239)
Carrying value of investment properties as at 30 September 2017	1,296,264

(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 9M2017.

(c) Decrease in trade and other receivables of S$3.4 million was mainly due to:

- deferred property tax of S$4.9 million charged to the statement of total return in 9M2017;
- recovery of property tax on Mauser Singapore, JDH, HFB, 11 Ubi Road 1 and 30 Pioneer Road from the respective lessees of these properties amounting to S$1.7 million; and
- deferred marketing commission of S$0.7 million charged to the statement of total return in 9M2017; partially offset by:
  - increase in trade receivables of S$0.6 million;
  - increase in accrued revenue of S$1.4 million due to recognition of rental income on a straight-line basis over the lease term of the respective leases;
  - deferred marketing commission of S$1.3 million incurred in 9M2017; and
  - S$0.6 million of property tax recoverable from the lessee of 6 Chin Bee Avenue, which was acquired in January 2017.

(d) Pledged deposits represent bank balances that are pledged as security for Loan Facility II and Loan Facility IV (as defined hereinafter) as disclosed on page 17 of this announcement.

(e) Cash and cash equivalents decreased by S$12.5 million as a result of net cash used in investing activities of S$76.0 million, partially offset by net cash generated from operating activities of S$63.5 million. Please refer to the consolidated statement of cash flows for 9M2017 on page 19 of this announcement for further details.

(f) Non-current trade and other payables comprise security and other deposits received from tenants. Decrease in total trade and other payables of S$11.9 million was mainly due to:

- decrease in payables and accruals for trust and property-related expenses (including AEI costs and other capital expenditure) of S$4.6 million;
- decrease in security deposits received from tenants of S$0.3 million;
- decrease in property tax payable of S$6.6 million;
- decrease in rental received in advance from tenants of S$0.2 million; and
- decrease in interest payable of S$0.9 million;
- partially offset by increase in net GST payable of S$0.7 million.

(g) Increase in total interest-bearing borrowings of S$61.6 million was mainly due to:

- drawdown of the S$22 million term loan under Loan Facility III (as defined hereinafter);
- drawdown of the S$35 million term loan under Loan Facility IV (as defined hereinafter);
- drawdown of S$4 million of the revolving credit facility under Loan Facility I (as defined hereinafter); and
- amortisation of debt-related transaction costs of S$1.4 million in 9M2017;
- partially offset by debt-related transaction costs of S$0.8 million incurred on Loan Facility III and Loan Facility IV.

Please refer to Section 1(b)(ii) – Aggregate Amount of Borrowings for further details of the borrowings.

(h) 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.

The fair value of two interest rate swaps with notional amounts of S$81 million and S$50 million, respectively, which are maturing in February 2018, has been reclassified from non-current liabilities as at 31 December 2016 to current liabilities as at 30 September 2017.

During 1Q2017, the Stapled Group entered into two new interest rate swaps with notional amounts of S$81 million and S$50 million, respectively, with forward start dates in February 2018, to hedge the interest rates on the aforesaid amounts of borrowings for an additional year to February 2019. During 2Q2017, the Stapled Group entered into an interest rate swap with a notional amount of S$23 million to hedge the interest rate on the said amount of borrowings until February 2019. The fair value of these new interest rate swaps has been classified as non-current liabilities as at 30 September 2017.

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. The increase in derivative financial liabilities was mainly due to the decrease in the Singapore dollar SOR in 9M2017 and the aforementioned new interest rate swaps entered into during 9M2017.

(i) As at 30 September 2017, the Stapled Group's current liabilities exceeded its current assets by S$98.0 million (31 December 2016: Net current assets of S$4.4 million) mainly due to the reclassification of its S$100 million MTN from non-current liabilities as at 31 December 2016 to current liabilities as at 30 September 2017 as the S$100 million MTN will be repayable in September 2018, i.e. within one year. The aforesaid S$100 million MTN can be refinanced by issuing new MTN of the same amount under the S$500 million Multicurrency MTN Programme, which has an undrawn balance of S$400 million. As such, the Managers are of the view that the Stapled Group will be able to meet its obligations as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Note	Stapled Group	
		30 Sep 2017 S$'000	31 Dec 2016 S$'000
Secured borrowings	(a)		
Amount repayable after one year		428,000	367,000
Less: Unamortised transaction costs		(4,626)	(4,946)
		423,374	362,054
Unsecured borrowings	(b)		
Amount repayable within one year		100,000	-
Amount repayable after one year		-	100,000
Less: Unamortised transaction costs		(310)	(545)
		99,690	99,455
Total borrowings		**523,064**	**461,509**
Current		99,690	-
Non-current		423,374	461,509
		523,064	**461,509**
Gearing ratio	(c)	**39.6%**	**37.2%**

Details of borrowings and collateral:

(a) Secured borrowings

(i) VI-REIT has in place a Singapore dollar denominated 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 a margin plus SOR 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.

As at 30 September 2017, S$280 million in aggregate of the Term Loan Facilities has been fully drawn down and S$18 million of the Revolving Credit Facility has been utilised.

(ii) VI-REIT has in place a Singapore dollar denominated 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 a margin plus SOR 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.

As at 30 September 2017, the Loan Facility II of S$73 million has been fully drawn down.

(iii) VI-REIT has in place a Singapore dollar denominated senior five-year secured bilateral term loan facility amounting to S$22 million (the "**Loan Facility III**").

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

- a mortgage over 30 Pioneer Road; and
- an assignment and charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of the tenancy agreements, the bank guarantees, the rental proceeds and the tenancy account, in each case, in relation to 30 Pioneer Road.

As at 30 September 2017, the Loan Facility III of S$22 million has been fully drawn down.

(iv) VI-REIT has in place a Singapore dollar denominated senior five-year secured bilateral term loan facility amounting to S$35 million (the "**Loan Facility IV**").

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

- a mortgage over 6 Chin Bee Avenue;
- an assignment of all of VI-REIT's rights, benefits, title and interest in, under and arising out of all policies and contracts of insurance (other than public liability insurance), in each case, in relation to 6 Chin Bee Avenue;
- an assignment and charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of, *inter alia*, sale agreements, tenancy agreements, performance guarantees, sale proceeds, rental proceeds, sale proceeds account and tenancy account, in each case, in relation to 6 Chin Bee Avenue; and
- a charge of all of VI-REIT's rights, benefits, title and interest in, under and arising out of a debt service reserve account.

As at 30 September 2017, the Loan Facility IV of S$35 million has been fully drawn down.

VI-REIT has entered into interest rate swaps to fix the interest rates for 80.1% of its outstanding floating rate borrowings as at 30 September 2017.

(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.

(c) Gearing ratio

Gearing ratio is computed based on total gross borrowings over total assets.

1(c) Consolidated Statement of Cash Flows

	Stapled Group			
	3Q2017 S$'000	3Q2016 S$'000	9M2017 S$'000	9M2016 S$'000
Cash flows from operating activities				
Total return for the period before income tax	15,539	12,815	44,672	28,276
Adjustments for:				
Effects of recognising rental income on a straight-line basis over the lease term	(315)	(207)	(1,426)	(1,104)
Finance income	(5)	(6)	(15)	(37)
Finance expenses	5,201	4,829	15,235	16,899
Change in fair value of investment properties	-	-	2,239	278
Change in fair value of derivative financial instruments	(1,037)	396	1,787	6,744
Amortisation of intangible assets	825	825	2,475	2,475
REIT Manager's fees paid/payable in Stapled Securities	1,694	1,415	4,902	4,031
Property Manager's fees paid/payable in Stapled Securities	719	525	2,081	1,461
Operating income before working capital changes	**22,621**	**20,592**	**71,950**	**59,023**
Changes in working capital:				
Trade and other receivables	1,790	2,138	4,844	5,767
Trade and other payables	(3,108)	4,857	(11,016)	432
Cash generated from operations	**21,303**	**27,587**	**65,778**	**65,222**
Income taxes paid	-	-	(2,235)	-
Net cash generated from operating activities	**21,303**	**27,587**	**63,543**	**65,222**
Cash flows from investing activities				
Acquisition of an investment property	-	-	(73,317) [(a)]	(52,235)
Payment of differential premium and stamp duty for an investment property	-	(156)	(154)	(156)
Capital expenditure incurred	(281)	(5,895)	(2,332)	(17,938)
Deposits pledged	-	-	(230)	-
Interest received	-	2	4	33
Net cash used in investing activities	**(281)**	**(6,049)**	**(76,029)**	**(70,296)**
Cash flows from financing activities				
Payment of issue expenses	-	-	(29)	-
Proceeds from borrowings	8,000	-	100,000	315,000
Repayment of borrowings	-	-	(39,000)	(290,000)
Payment of debt-related transaction costs	(6)	(6)	(847)	(5,419)
Payment of debt prepayment and cancellation fees	-	-	-	(801)
Payment of finance expenses	(5,768)	(5,463)	(14,725)	(12,942)
Distributions paid to Stapled Securityholders	(18,004)	(15,147)	(45,414)	(34,388)
Net cash used in financing activities	**(15,778)**	**(20,616)**	**(15)**	**(28,550)**
Net increase / (decrease) in cash and cash equivalents	5,244	922	(12,501)	(33,624)
Cash and cash equivalents at beginning of the period	11,717	13,338	29,462	47,884
Cash and cash equivalents at end of the period	**16,961**	**14,260**	**16,961**	**14,260**

Note:

(a)

	S$'000
Purchase consideration	87,300
Upfront land premium and stamp duty	8,038
Professional fees	979
Partial satisfaction of purchase consideration by way of issuance of new Stapled Securities	(23,000)
Net cash outflow	**73,317**

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

	Stapled Group			
	3Q2017 S$'000	3Q2016 S$'000	9M2017 S$'000	9M2016 S$'000
Balance at beginning of the period	**766,520**	**700,313**	**738,947**	**701,620**
Operations				
Total return for the period after income tax	15,159	12,258	42,601	26,640
Net increase in net assets resulting from operations	**15,159**	**12,258**	**42,601**	**26,640**
Stapled Securityholders' transactions				
Issuance of new Stapled Securities in connection with the acquisition of an investment property	-	-	23,000	-
Issue expenses	-	-	(29)	-
Stapled Securities issued and issuable:				
- As payment of REIT Manager's fees	1,694	1,415	4,902	4,031
- As payment of Property Manager's fees	719	525	2,081	1,461
Distribution to Stapled Securityholders	(18,004)	(15,147)	(45,414)	(34,388)
Net decrease in net assets resulting from Stapled Securityholders' transactions	**(15,591)**	**(13,207)**	**(15,460)**	**(28,896)**
Balance at end of the period	**766,088**	**699,364**	**766,088**	**699,364**

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

	Stapled Group			
	3Q2017 Units	**3Q2016 Units**	**9M2017 Units**	**9M2016 Units**
Stapled Securities in issue at beginning of the period	967,473,583	865,497,351	931,405,379	860,615,215
Issuance of new Stapled Securities in connection with the acquisition of an investment property [(a)]	-	-	30,483,700	-
New Stapled Securities issued as payment of:				
- REIT Manager's fees	1,826,547	1,919,076	5,777,987	5,626,709
- Property Manager's fees	798,341	695,731	2,431,405	1,870,234
Total issued Stapled Securities	970,098,471	868,112,158	970,098,471	868,112,158
New Stapled Securities issuable as payment of:				
- REIT Manager's fees	1,796,878	1,810,703	1,796,878	1,810,703
- Property Manager's fees	762,892	671,518	762,892	671,518
Total issued and issuable Stapled Securities at end of the period	**972,658,241**	**870,594,379**	**972,658,241**	**870,594,379**

Note:

(a) In connection with the acquisition of 6 Chin Bee Avenue, approximately 30.5 million new Stapled Securities were issued to the vendor on 16 January 2017 to satisfy S$23.0 million of the purchase consideration for the said property.

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 2016.

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

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

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

		Stapled Group			
	Note	3Q2017	3Q2016	9M2017	9M2016
EPS is calculated based on:					
Total return after income tax (S$'000)		15,159	12,258	42,601	26,640
Weighted average number of issued and issuable Stapled Securities during the period ('000)		970,126	868,139	965,737	865,594
Basic and diluted EPS (cents)	(a)	1.563	1.412	4.411	3.078
DPS is calculated based on:					
Distribution declared for the period (S$'000)	(b)	18,430	15,713	54,242	45,003
Applicable number of Stapled Securities for calculation of DPS ('000)		970,098	868,112	965,879	865,658
DPS (cents)	(c)	1.900	1.810	5.615	5.198

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 distribution of VI-REIT Group has been included for the purpose of calculating the DPS.

(c) The pro forma DPS for 3Q2017 and 9M2017 without the effects of rental support / rental arrangement would be 1.648 cents (3Q2016: 1.499 cents) and 4.856 cents (9M2016: 4.279 cents), respectively.

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 Sep 2017	31 Dec 2016
NAV / NTA per Stapled Security is calculated based on:		
Net assets (S$'000)	766,088	738,947
Net tangible assets (S$'000)	762,485	732,869
Number of Stapled Securities ('000):		
- issued	970,098	931,405
- issuable	2,560	2,685
	972,658	934,090
NAV per Stapled Security (cents)	78.76	79.11
NTA per Stapled Security (cents)	78.39	78.46

8 A review of the performance for the quarter and the nine months ended 30 September 2017

A review of the performance for 3Q2017 and 9M2017 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 2017.

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 2017 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[1], the Singapore economy produced the strongest growth seen in more than three years, growing by 4.6% on a year-on-year basis in 3Q2017. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 6.3%, an improvement from the 2.4% growth in the preceding quarter. The manufacturing sector expanded by 15.5% on a year-on-year basis in 3Q2017, extending the 8.2% growth in the previous quarter. Growth was driven primarily by the robust performance in the electronics, biomedical manufacturing and precision engineering clusters. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew by 23.1%, a stark improvement from the 3.2% growth in the preceding quarter.

The September 2017 reading[2] of Singapore Purchasing Managers' Index ("**PMI**") recorded an expansion at 52, up by 0.2 points from August's reading of 51.8. This marks the 13th straight month of expansion reading for the PMI reinforced by stronger growth from the electronics sector. The latest readings of the PMI indicated sustained growth for the manufacturing economy since August last year, with economic momentum seen picking up in the US and Eurozone.

According to Maybank Kim Eng Research[3], demand for industrial space is expected to improve with stronger industrial production. Although leasing transactions have lagged growth in overall industrial production, SMEs surveyed by Singapore Business Federation expected capital expenditure expansion and in turn stronger demand for space in the next six months. Against the improving macroeconomic backdrop, the outlook for the industrial market remains sanguine with factory demand supported by stronger industrial production, especially for business parks and hi-tech space.

Based on the recent 3Q2017 outlook report[4] by CBRE, vacancy for business parks inched up marginally from 11.9% to 12.1% in the quarter due to weakness in business parks located in the outskirts. Though leasing enquiry remained subdued in the recent quarters, business park space retained its attractiveness to tenants from technology and fintech firms who are in search of longer term rental stability. Business parks in the city fringe continue to outperform due to their higher quality and better location. Going forward, the supply of new business park space is expected to remain low in the near term. The average annual net supply of confirmed pipeline projects in the next three years is estimated at 0.35 million sq. ft., significantly lower than the 10-year average of 1.40 million sq. ft.

VIT has 430,000 sq. ft. of leases due for renewal in 2017, of which the Manager has renewed 287,000 sq. ft. to date, representing 66.7%[5] of the total leases due for renewal this year. In addition, the Manager has, to date, secured 108,000 sq. ft. of new leases this year. The Manager remains cautiously optimistic of the Singapore economy's growth prospects underpinned by recovery in the manufacturing sector.

[1] "Singapore's GDP Grew by 4.6 Per Cent in the Third Quarter of 2017", Ministry of Trade and Industry Singapore, Press Release, 13 October 2017

[2] PMI Monthly Bulletin, Singapore Institute of Purchasing & Materials Management, September 2017

[3] "Singapore REITs: Growth Jumpstart", Maybank Kim Eng Research, 2 October 2017

[4] "Singapore MarketView Q3 2017", CBRE Research, 12 October 2017

[5] In 3Q2017, the Manager secured 61,000 sq. ft. of lease renewals and 17,000 sq. ft. of new leases

Completion of AEI at VBP

VBP held its official opening on 16 August 2017. The event marked the completion of the AEI at the property and had a strong turnout from investors, business partners and tenants. The event was graced by Mr Tan Chuan-Jin, current Speaker of Parliament and former Minister for Social and Family Development. With the official opening of VBP, the Manager has repositioned and rebranded the property, achieving committed occupancy of 96.2% for the "white" space at VBP in this quarter, up from 92.3% in 2Q2017.

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 2017 to 30 September 2017
Distribution type:	Taxable income / Tax-exempt income
Distribution rate:	1.900 cents per Stapled Security comprising (a) Taxable income - 1.649 cents (b) Tax exempt income - 0.251 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 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(c) **Books closure date**: 6 November 2017

11(d) **Date Payable**: 28 November 2017

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

Not applicable.

13 **Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines**

In relation to the distribution to Stapled Securityholders for the period from 1 July 2017 to 30 September 2017 (the "**Distribution**"), the REIT Manager, in consultation with the REIT Trustee, hereby certifies that it is satisfied on reasonable grounds that, immediately after making the Distribution, VI-REIT will be able to fulfil, from its deposited property, its liabilities as and when they fall due.

VI-REIT's distribution policy is to distribute at least 90% of its annual distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

14 **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.

15 Segment revenue and results

	Stapled Group									
	3Q2017					3Q2016				
	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	17,313	2,237	3,532	5,255	28,337	14,778	2,268	1,613	5,593	24,252
Property expenses	(6,650)	(79)	(109)	(901)	(7,739)	(5,829)	(82)	(46)	(890)	(6,847)
Net property income	**10,663**	**2,158**	**3,423**	**4,354**	**20,598**	**8,949**	**2,186**	**1,567**	**4,703**	**17,405**
Rental support / rental arrangement	2,119	130	-	-	2,249	2,728	101	-	469	3,298
Reportable segment results	**12,782**	**2,288**	**3,423**	**4,354**	**22,847**	**11,677**	**2,287**	**1,567**	**5,172**	**20,703**
Unallocated items:										
- REIT Manager's fees					(1,795)					(1,589)
- REIT Trustee's fees					(49)					(47)
- Amortisation of intangible assets					(825)					(825)
- Other trust expenses					(480)					(208)
- Finance income					5					6
- Finance expenses					(5,201)					(4,829)
Net income					**14,502**					**13,211**
Change in fair value of derivative financial instruments					1,037					(396)
Total return for the period before income tax					**15,539**					**12,815**
Income tax expense					(380)					(557)
Total return for the period after income tax					**15,159**					**12,258**

	Stapled Group									
	9M2017					9M2016				
	Business Park S$'000	Hotel S$'000	Logistics S$'000	Light Industrial S$'000	Total S$'000	Business Park S$'000	Hotel S$'000	Logistics S$'000	Light Industrial S$'000	Total S$'000
Gross revenue	50,112	6,738	10,293	16,179	83,322	42,005	6,949	3,527	17,070	69,551
Property expenses	(18,931)	(238)	(321)	(2,683)	(22,173)	(16,129)	(250)	(98)	(2,674)	(19,151)
Net property income	**31,181**	**6,500**	**9,972**	**13,496**	**61,149**	**25,876**	**6,699**	**3,429**	**14,396**	**50,400**
Rental support / rental arrangement	6,672	363	-	5,253	12,288	8,413	162	-	1,121	9,696
Reportable segment results	**37,853**	**6,863**	**9,972**	**18,749**	**73,437**	**34,289**	**6,861**	**3,429**	**15,517**	**60,096**
Unallocated items:										
- REIT Manager's fees					(5,747)					(4,553)
- REIT Trustee's fees					(146)					(138)
- Amortisation of intangible assets					(2,475)					(2,475)
- Other trust expenses					(1,151)					(770)
- Finance income					15					37
- Finance expenses					(15,235)					(16,899)
Net income					**48,698**					**35,298**
Change in fair value of investment properties					(2,239)					(278)
Change in fair value of derivative financial instruments					(1,787)					(6,744)
Total return for the period before income tax					**44,672**					**28,276**
Income tax expense					(2,071)					(1,636)
Total return for the period after income tax					**42,601**					**26,640**

16 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.

17 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 2017 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 October 2017

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.