VIVA iTRUST



ANNUAL REPORT
2017

SCALING NEW HEIGHTS



SCALING

NEW HEIGHTS

As a testament to our commitment and hard work to delivering robust performance while upholding high corporate governance standards, VIT was presented with three awards this year. Building on the momentum of these achievements, we are now better positioned to grow from strength to strength and take VIT to scale new heights and unlock future potential.

Cover and current page photos: **Gorilla Climbing Gym @ VBP**

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ACHIEVEMENTS THAT PACK A



Viva Industrial Trust Clinched Platinum Award In The Industrial REIT Category At The Asia Pacific Best Of The Breeds REITs Awards 2017



Viva Industrial Trust Awarded The ARCA Outstanding Leadership Excellence (Industrial REIT) Award At The BEI Asia Awards 2017



Viva Industrial Trust Clinched Its Third Award For The Year At The Fortune Times REITs Pinnacle Awards 2017 As The Most Significant Return REIT In Asia

PUNCH



Credit **True Fitness @ VBP**

FEAST FOR THE SENSES



BAI NIAN @ VBP



BURGER KING @ VBP





GELARE @ VBP



MUK-BANG KOREAN RESTAURANT @ VBP

PROMOTING DIVERS

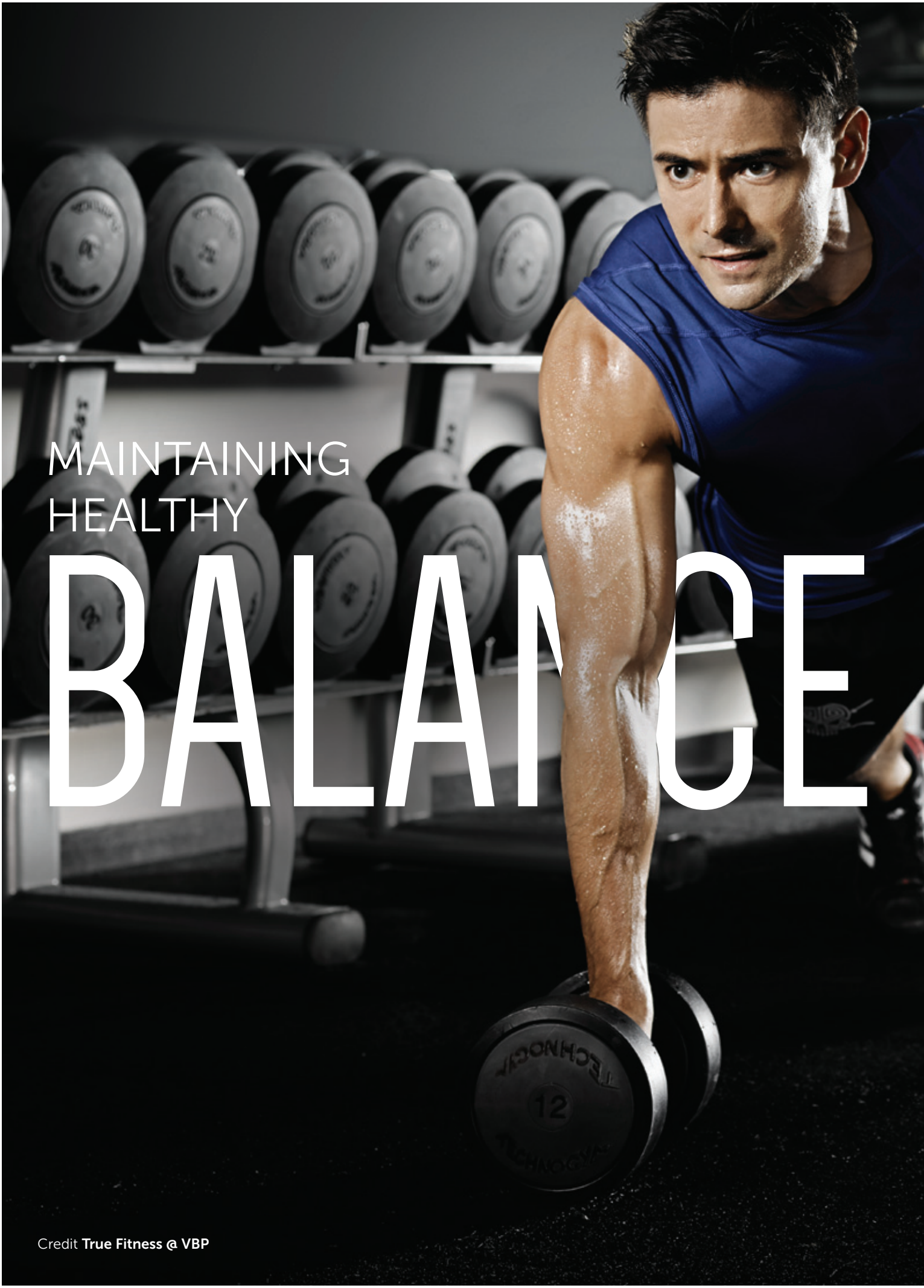


ITY



DECATHLON @ VBP




MAINTAINING
HEALTHY
BALANCE
Credit True Fitness @ VBP

SHEETS



GORILLA CLIMBING GYM @ VBP



TRUE FITNESS @ VBP

VISION

TO BE A STEADFAST INDUSTRIAL REAL ESTATE INVESTMENT TRUST OFFERING THE BEST-IN-CLASS INCOME PRODUCING PORTFOLIO WITH DYNAMIC GROWTH POTENTIAL.

MISSION

TO PROVIDE STAPLED SECURITYHOLDERS WITH STABLE DISTRIBUTIONS AND LONG-TERM GROWTH IN ASSET VALUE.

PROFILE

Viva Industrial Trust ("VIT") is a Singapore-focused business park and industrial real estate investment trust listed on the Mainboard of the Singapore Exchange ("SGX") on 4 November 2013.
VIT comprises Viva Industrial Real Estate Investment Trust ("VI-REIT") and Viva Industrial Business Trust ("VI-BT"). VI-REIT has the principal investment strategy of investing in a diversified portfolio of income-producing real estate that is predominantly for business parks and other industrial purposes in Singapore and elsewhere in the Asia Pacific region.
VI-BT is presently inactive.

VIT's current property portfolio covers an aggregate gross floor area of 3.9 million sq ft and is strategically located in key business parks and established industrial clusters with an aggregate valuation of close to S$1.3 billion.
Its nine properties serve over 156 tenants with 40% of them in information technology, e-business or data centre operations.

SIGNIFICANT EVENTS 2017



16 JAN

COMPLETED ACQUISITION OF 6 CHIN BEE AVENUE



16 AUG

OFFICIAL OPENING OF VIVA BUSINESS PARK



8 MAY

COMPLETED ASSET ENHANCEMENT INITIATIVE AT VIVA BUSINESS PARK



27 OCT

AWARDED THE ARCA OUTSTANDING LEADERSHIP EXCELLENCE (INDUSTRIAL REIT) AWARD AT THE BEI ASIA AWARDS 2017



9 MAY

ENTERED INTO A S$35 MILLION TERM LOAN FACILITY WITH MALAYAN BANKING BERHAD



21 NOV

INCLUSION OF VIT IN THE MSCI SINGAPORE SMALL CAP INDEX



7 AUG

CLINCHED PLATINUM AWARD AT THE ASIA PACIFIC BEST OF THE BREEDS REITS AWARDS 2017



24 NOV

WON THE MOST SIGNIFICANT RETURN REIT IN ASIA AT THE FORTUNE TIMES REITS PINNACLE AWARDS 2017

ABOUT THE MANAGERS

REIT MANAGER

VI-REIT is managed by Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager"), which is wholly owned by Viva Investment Management Pte. Ltd. ("VIM").

The REIT Manager's main responsibility is to manage VI-REIT's assets and liabilities for the benefit of VIT stapled securityholders, through setting the strategic direction of VI-REIT and making recommendations to the REIT Trustee on acquisition, divestment, development and/or enhancement of assets of VI-REIT.

BT TRUSTEE-MANAGER

VI-BT is managed by Viva Asset Management Pte. Ltd. (the "BT Trustee-Manager"), which is wholly owned by VIM. VI-BT is presently inactive.

The BT Trustee-Manager has the dual responsibilities of safeguarding the interests of the VIT stapled securityholders and managing the business conducted by VI-BT. The BT Trustee-Manager has general powers of management over the business and assets of VI-BT for the benefit of VIT stapled securityholders as a whole.

OUR INVESTMENT STRATEGY

The REIT Manager's key objective is to provide stapled securityholders with a competitive rate of return, by ensuring stable distributions, as well as long-term growth in distribution per stapled security and net asset value per stapled security, while maintaining a prudent capital and risk management structure.

ACQUISITION FOR GROWTH

- Source for and acquire assets in Singapore and elsewhere in the Asia Pacific region that meet the REIT Manager's investment criteria to provide attractive cash flow and yields relative to VI-REIT's weighted average cost of capital, and to pursue opportunities for future income and capital growth.

ACTIVE ASSET MANAGEMENT

- Proactively implement measures and work closely with the master lessees to improve the returns from the master-leased properties.
- Proactively manage and improve the leasing profiles of the multi-tenanted properties.
- Measures include active leasing, marketing of any vacancies and expiring leases, tenant management and retention, mitigating any risks relating to new leases and lease renewals, implementing programmes for regular maintenance and building upgrades, and asset refurbishment and enhancement initiatives.

CAPITAL AND RISK MANAGEMENT

- Employ an appropriate mix of debt and equity in financing acquisitions and asset enhancements and utilise interest rate and currency hedging strategies where appropriate.
- Minimise exposure to market volatility and optimise risk-adjusted returns to stapled securityholders.

SELECTIVE DEVELOPMENT

- Selectively undertake development activities that are able to enhance the value of the portfolio, including build-to-suit developments.

DIVESTMENT

- Divest mature assets as and when appropriate to free up capital for re-deployment towards better growth opportunities.



6 Chin Bee Avenue acquired in 2017

FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS

GROSS REVENUE

S$111.66M

FY2016
S$95.12M
VARIANCE (%)
+17.4%

NET PROPERTY INCOME

S$81.81M

FY2016
S$68.48M
VARIANCE (%)
+19.5%

DISTRIBUTION DECLARED[1]

S$72.31M

FY2016
S$60.94M
VARIANCE (%)
+18.7%

DISTRIBUTION PER STAPLED SECURITY[2] (SINGAPORE CENTS)

7.472 cents

FY2016
6.958 cents
VARIANCE (%)
+7.4%

FINANCIAL POSITION

TOTAL ASSETS

S$1.32B

FY2016
S$1.25B
VARIANCE (%)
+5.1%

TOTAL LIABILITIES

S$571.82M

FY2016
S$514.96M
VARIANCE (%)
+11%

STAPLED SECURITYHOLDERS' FUNDS

S$746.57M

FY2016
S$738.95M
VARIANCE (%)
+1%

INVESTMENT PROPERTIES

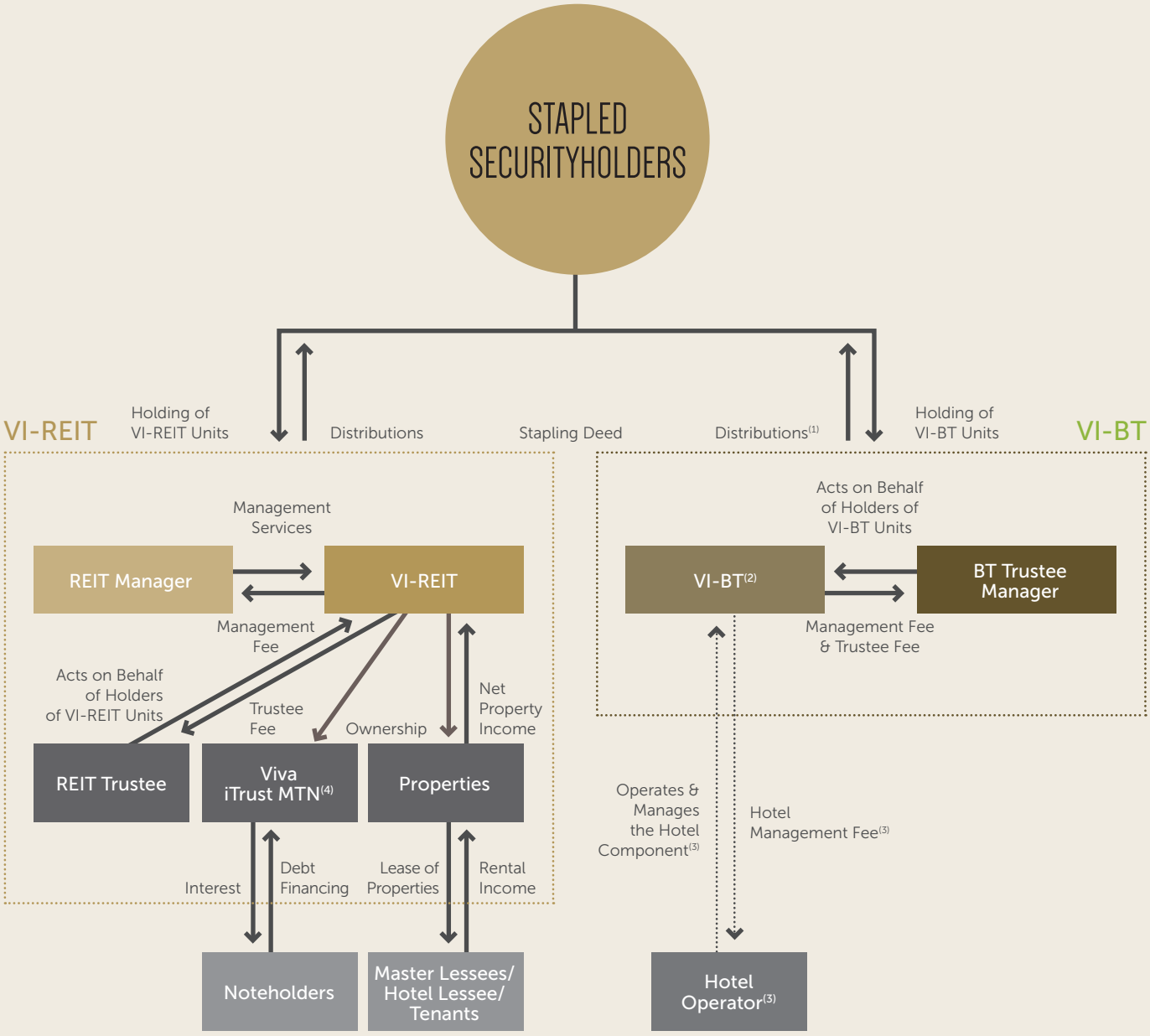
S$1.28B

FY2016
S$1.20B
VARIANCE (%)
+7.1%

1 The distribution declared for FY2017 is made on the basis as if the Jackson Square ("JS") rental support arrangement is still in place notwithstanding the settlement agreement entered into with Jackson International Private Limited ("JIPL") on 19 May 2017 pursuant to which JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement.

2 Distributions of VIT represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of VIT 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.

TRUST & MANAGER STRUCTURE



1 Distributions (if any) to be made by VI-BT, when activated, will be determined by the board of directors of the BT Trustee-Manager in its sole discretion.
2 Presently inactive. In the event that VI-BT is appointed as lessee of the Hotel Component of UE BizHub EAST, the BT Trustee-Manager will appoint a third-party hotel operator to manage and operate the Hotel Component of UE BizHub EAST.
3 Only activated when VI-BT is appointed as lessee of the Hotel Component of UE BizHub EAST.
4 Viva iTrust MTN Pte. Ltd. is a wholly-owned subsidiary of VI-REIT, which was established on 28 August 2014 to act as the issuer of a S$500 million Multicurrency Medium Term Note Programme.



CHAIRMAN AND CEO
LETTER TO STAPLED SECURITYHOLDERS

Dear Stapled Securityholders,

On behalf of the Board of Directors of the managers of Viva Industrial Trust ("VIT"), we are pleased to present VIT's fifth annual report for the financial year ended 31 December 2017 ("FY2017").





FY2017 was also a year of many first achievements for VIT with new milestones achieved across different functions. Apart from resilient financial performance, VIT achieved new highs in terms of its share price and trading liquidity, garnered numerous awards and an index inclusion and obtained further analyst coverage and market interest.

FY2017 saw a global upswing in economic activities with the Singapore economy making steady recovery. GDP growth at 3.6% for FY2017 outperformed the previous year's 2.4% growth. However, the industrial REIT sector still faced challenges as industries continued to adopt a cautious approach to business expansion. Other concerns weighing on the industrial REIT sector include expectations of a rising interest rate environment, new supply of industrial space and the relatively shorter land leases for industrial properties in Singapore affecting valuations.

Against this backdrop, VIT achieved growth across the board in Gross Revenue, Net Property Income, Distributable Income and distribution per stapled security ("DPS"). FY2017 was also a year of many first achievements for VIT with new milestones achieved across different functions. Apart from resilient financial performance, VIT achieved new highs in terms of its share price and trading liquidity, garnered numerous awards and an index inclusion and obtained further analyst coverage and market interest.

DELIVERING A STRONG SET OF RESULTS

VIT achieved a full year DPS of 7.472 cents, an increase of 7.4% from a year ago. The growth in DPS was mainly driven by additional income contribution from 6 Chin Bee Avenue as well as higher income contributions from Viva Business Park ("VBP"). Gross Revenue and Net Property Income grew by 17.4% and 19.5% year-on-year (y-o-y) respectively to reach S$111.7 million and S$81.8 million respectively for FY2017. This translated to a 18.7% y-o-y increase in distributions declared of S$72.3 million. VIT's strategic acquisition and organic growth has been pivotal in enabling VIT to push ahead of its peers with a 7.4% increase in DPS for the year.

TRANSFORMING ASSETS TO UNLOCK VALUE

Notwithstanding the soft industrial leasing market, VIT managed to improve its portfolio average occupancy from 89.8% to 90.6% with the renewal of 305,000 sq ft of existing leases and procurement of 113,000 sq ft of new leases. VIT has also managed to achieve an overall positive portfolio rental reversion of 2.6% for FY2017 while

CHAIRMAN AND CEO
LETTER TO STAPLED SECURITY HOLDERS

other industrial REIT peers were experiencing negative rental reversion.

We celebrated the official opening ceremony of VBP in August 2017 after the final phase of asset enhancement initiative ("AEI") obtained temporary occupation permit ("TOP") in May 2017. With the transformation of VBP from a high-tech industrial property formerly known for housing electronics and information technology businesses to a vibrant business park filled with new retail, F&B and lifestyle amenities, VBP was able to achieve positive rental reversion and significant improvement in occupancy and asset value as compared to the time when the property was first acquired in November 2013.

We also saw developments at UE BizHub EAST ("UEBH") with the operation of the Downtown Line ("DTL") Phase 3. Connectivity of the property has been significantly enhanced as the DTL station just below the property now connects the many bank back offices at Changi Business Park to their front offices in the Central Business District via a direct train ride and is only one MRT stop away from Changi Airport. Furthermore, accessibility to UEBH has also been further enhanced with the completion of the DTL subway link at the property connecting UEBH directly to Expo station and the completion of the outdoor Urban Plaza connecting UEBH to Changi City Point.

ACCOMPLISHING NEW MILESTONES

For the first time since its Initial Public Offering ("IPO"), VIT has clinched three awards recognizing the REIT for its outstanding corporate governance, resilient performance and promising growth prospects. We are honoured to be rewarded for our commitment to delivering robust performance while upholding high corporate governance standards.

Notably, VIT was included in the MSCI Singapore Small Cap Index as at the close of 30 November 2017, marking another first for the REIT.

Separately, VIT's trading liquidity and share price has reached new highs in 2017. With an average daily trading volume of more than 1 million units, institutional following has strengthened with introductions of new names in our stapled security holding register.

ACTIVE STAKEHOLDER ENGAGEMENT

At VIT, we strive to uphold the strictest corporate governance standards and provide transparent, timely and accurate communications to our stakeholders. We have also taken steps and measures to understand stapled securityholders' viewpoints and concerns through analyst briefings and investor roadshows. VIT held its inaugural Investor Day in August 2017, giving 100 retail investors an opportunity to touch base with management as well as to witness first-hand the transformation of VBP during our official opening ceremony held at VBP.

The Investor Relations calendar for FY2017 included numerous Non-Deal Roadshow/Corporate Day Presentations to institutional investors in Singapore and certain Asia Pacific countries. The management team also participated in seminars and conferences for retail investors including the REITs Symposium where the senior management was invited to be on panel discussions and gave presentations.

LOOKING FORWARD

With the nascent signs of the macro-economy gaining momentum, the general industrial property market should begin to see some improvements in rents and occupancy over the course of the year in 2018. To remain robust and competitive in the industrial REITs market, VIT aims to create key differentiators through its active management, strong tenant relationships and portfolio enhancement and expansion.

VIT has grown from strength to strength since its IPO in November 2013. Market capitalisation has almost doubled from IPO to over S$900 million as at the close of FY2017. Share price has appreciated by more than 19% from its IPO price on the back of prudent and active management and a growing, resilient and diversified portfolio. We have consistently scaled new heights through the years with a clear growth strategy. We will strive to continue to do so with the primary objective of further crystallising value for our stapled securityholders.

ACKNOWLEDGEMENTS

We would like to express our sincere appreciation to our Directors for their invaluable contributions in guiding VIT forward and the management team for their hard work and dedication.

Finally, we would like to thank our stapled securityholders, tenants and business partners for their unwavering support and trust placed in us. We are committed to delivering value and will strive to improve our performance with your steadfast support.

Dr Leong Horn Kee
Chairman

Mr Wilson Ang
Chief Executive Officer

主席与总裁

致全体合订证券持有人之信函

尊敬的合订证券持有人，

谨代表億達工业房地产信托管理公司（以下简称“VIT”）的董事会，我们很高兴为大家呈现截至2017年12月31日的第五份财政年度报告。

随着全球经济动向在2017财政年回升，新加坡经济也稳步复苏。国内生产总值增长了3.6%，超越去年的2.4%增长率。然而，工商界对于业务扩张依然采取谨慎的态度，使工业房地产投资信托行业仍面临挑战。 行业面临的其他顾虑包括了利率的上涨趋势、 新工业空间供应量的增加以及新加坡工业房地产相对较短的地契期限对估值的影响。

尽管在此背景下，VIT仍在总收入、净房地产收入、可分配收入和每合订证券可派发收入（“DPS”）方面都取得全面增长。2017财政年也是VIT在多方面创下新里程碑的一年。 除了稳健的财务业绩外，VIT的股价和交易流动性也创下新高，VIT也在这一年获颁多个奖项、并被纳入股票指数，这也都促使VIT获得更多分析师的报道和市场的青睐。

交出强劲的业绩

VIT全年DPS为新币7.472分， 比去年上涨7.4%， 主要是来自新收购的资产, 6 Chin Bee Avenue所带来的的额外收入贡献以及億達商业园（“VBP”）的更高收入贡献所推动。总收入和净房地产收入在2017财政年分别同比增长17.4%和19.5%达到新币1亿1170万元和新币8180万元。这比起去年派发的7230万元提高了18.7%。VIT严谨与具有策略性的收购战略和内部增长，是VIT能够将DPS推高7.4%并成功超越同业的关键因素。

通过为资产转型而释放价值

尽管工业租赁市场疲弱，VIT仍然成功通过更新30万5000平方英尺的现有租约和签下新的11万3000平方英尺租约，将投资组合的租用率从89.8% 提升到90.6%。VIT也成功在2017财政年把投资组合的平均租金提高2.6%，而其他工业房地产投资信托基金的同业则面临租金下跌。

随着VBP在2017年5月完成了资产增值计划（“AEI”）并取得临时入伙证（“TOP”）后，我们在2017年8月为VBP举办了正式开幕仪式。VBP从一个以容纳电子科技和信息技术企业为主的高科技大楼，摇身转换为一个充满活力，拥有新的零售、餐饮和生活设施的商业园，VBP成功取得了租金上调和大幅提升租用率，资产价值也比起该物业在2013年11月被收购时的价值有了显著的提升。

我们也看到了UE BizHub EAST （“UEBH”）随着地铁市区线（“DTL”）第三期的运营而取得的进展。 由于该物业可通过其底层地下通道直接通往市区线地铁站，其连通性也获得了显著的增强，因此众多位于樟宜商业园内的银行后勤部门都可以通过市区线地铁直接前往位于中央商业区的前台业务，此物业距离樟宜机场也仅有一站地铁的距离。此外，随着博览中心地铁站行人通道和户外广场的完成， 行人可从UEBH直接通往博览中心地铁站，也可直接连接到樟宜坊，使UEBH的连通性进一步增强。

实现新的里程碑

自首次公开发行（“IPO”）以来，VIT首次获颁三个奖项，给予我们在卓越企业管理和取得良好业绩表现与增长前景获得肯定。我们很荣幸能够在致力于坚持高企业管理标准并取得稳健业绩的同时获得奖励。



2017财政年也是VIT在多方面创下新里程碑的一年。除了稳健的财务业绩外，VIT的股价和交易流动性也创下新高，VIT也在这一年获颁多个奖项、并被纳入股票指数，这也都促使VIT获得更多分析师的报道和市场的青睐。

主席与总裁

致全体合订证券持有人之信函

值得一提的是，VIT在2017年11月30日闭市后被纳入MSCI新加坡小型股指数，标志着VIT的另一项第一。

另外，VIT的交易流动性和股价都在2017年创下新高。随着VIT平均每天交易量超过100万个单位，机构投资者对VIT的关注提高了，我们在合订证券持有人的名册里面也出现了新的投资者。

与利益相关者的积极互动

在VIT，我们坚持维护最严格的企业治理标准，并向利益相关者提供透明、及时和准确的沟通与信息。我们也采取了各种步骤与措施，通过分析师简报和投资者路演来理解我们单位持有人的观点和关注。VIT于2017年8月举行了首届投资者日，为100位散户投资者提供了一个与管理层接触的平台，并在开幕典礼上亲眼见证VBP转型后的全新面貌。

2017财政年的投资者关系日历包括向在新加坡和特定亚太国家机构投资者举办多次非交易路演及参与由投资银行主办的机构投资者论坛。 公司高层也参与了多个为散户投资者举办的研讨会和论坛，包括新加坡房地产投资信托基金研讨会上受邀参与小组讨论和发表演讲。

展望未来

随着宏观经济开始出现复苏加速的迹象， 在2018年应该可以看到一般工业房地产的市场租金和入住率开始呈现改善的迹象。为了在工业房地产投资信托基金市场保持稳健和具备竞争力，VIT希望通过积极管理、与租户牢固的关系和投资组合的增强与扩张，以在市场中脱颖而出。

自2013年11月上市以来，VIT的实力不断增强，在2017财政年的市值超越新币9亿元， 几乎是上市时的双倍。在谨慎与积极管理所取得的持续增长、 有韧性和多元化的投资组合下， 股价至今比IPO价升值超过19%。 多年来，我们以明确的发展策略，不断攀登新高峰。我们将努力持续此经营理念，以达到为我们单位持有人进一步创造价值的这首要目标。

致谢

我们希望借此机会对董事会为VIT所提供的珍贵引导，以及管理团队的辛勤与奉献，表达我们由衷的感谢。

最后， 我们也要感谢所有的合订证券持有人、 租户与商业伙伴给予我们坚定不移的支持和信任。 在各位的坚定支持下，我们致力于创造价值，精益求精。

梁汉基博士
主席

洪富璨先生
总裁

BOARD OF DIRECTORS



DR LEONG HORN KEE

Chairman and Independent Non-Executive Director
Date of Appointment: 10 October 2013

Dr Leong is the Chairman of the Board; an Independent Non-Executive Director and a Member of the Investment Committee and Nominating & Remuneration Committee of the REIT Manager and the BT Trustee- Manager (together the "Managers").

Dr Leong is the Chairman of CapitalCorp Partners Pte Ltd, a boutique corporate finance advisory company, which he founded in 2009. He was with the Far East Organization group from 1993 to 2008, serving as Managing Director of Orchard Parade Holdings Limited; Managing Director and Chief Executive Officer of Yeo Hiap Seng Ltd; and Executive Director of Far East Organization, where he was closely involved in the development and management of industrial properties.

Dr Leong also has extensive experience in the public sector, serving in the Ministry of Finance and Ministry of Trade and Industry from 1977 to 1983. He was a Member of Parliament for 22 years until 2006. He was the Non-Resident Ambassador to Mexico from 2006 to February 2013 and was appointed the Non-Resident High Commissioner to Cyprus in July 2014.

Dr Leong presently serves on the boards of publicly-listed companies, namely Tat Hong Holdings Ltd and IGG Inc, and SPH REIT Management Pte Ltd, the manager of SPH REIT which is listed on the SGX.

Dr Leong holds a Production Engineering (First Class Honours) degree from Loughborough University; an Economics Honours degree from London University, a Bachelor of Arts degree in Chinese Language and Literature from Beijing Normal University; a Master of Business Administration from the European Institute of Business Administration ("INSEAD") France; a Master of Business Research degree and a Doctor of Business Administration from the University of Western Australia. He was a Colombo Plan Scholarship and a French Government Scholarship holder.



MR RICHARD TEO CHENG HIANG

Independent Non-Executive Director
Date of Appointment: 10 October 2013

Mr Teo is an Independent Non-Executive Director; the Chairman of the Investment Committee and a Member of the Audit and Risk Committee of the Managers.

Mr Teo has more than 30 years of experience in managing funds in senior fiduciary positions in the Government of Singapore Investment Corporation ("GIC") and for large blue chip financial institutions and ultra-high net worth individuals.

Mr Teo spent almost 20 years with GIC, last holding the position of executive vice president. He was part of the pioneer team that built GIC Real Estate into one of the top 10 largest global real estate organizations. From 2005 to 2010, Mr Teo was with Pacific Star Group as President (Asset Management) and President (REIT Management and Private Clients) with more than US$3 billion of assets under management. Mr Teo is currently an Independent Director of Keppel DC REIT Management Pte Ltd, the manager of Keppel DC REIT which is listed on the SGX.

Mr Teo graduated with a Bachelor of Science in 1977 and a Bachelor of Architecture (First Class Honours) in 1979 from the University of Newcastle under the Colombo Plan (Australia) Scholarship programme. He subsequently obtained a Master of Business Administration from the National University of Singapore in 1987.

BOARD OF DIRECTORS



DR CHOONG CHOW SIONG

Independent Non-Executive Director
Date of Appointment: 10 October 2013

Dr Choong is an Independent Non-Executive Director; the Chairman of the Audit and Risk Committee and a Member of the Nominating & Remuneration Committee of the Managers.

Dr Choong is a member of the Singapore Institute of Arbitrators and of the Chartered Institute of Arbitrators (United Kingdom), as well as Fellow Member of the Association of Chartered Certified Accountants (United Kingdom), Institute of Singapore Chartered Accountants and CPA Australia. He is currently the Quality Review Partner at CSI & Co. PAC, where he is responsible for reviewing the audit files of audit partners.

Prior to that, he was the Managing Partner of C.S. Choong & Co. PAC for 33 years, responsible for performing statutory audits as per the Companies Act. He currently serves on the board of SGX-listed company, Straco Corporation Limited.

Dr Choong graduated from Nanyang University with a Bachelor of Commerce (Accountancy) and holds a Master of Arts (Finance and Accounting) from Leeds Metropolitan University and a Doctor of Business Administration (Accounting) from Adam Smith University. He has also completed a postgraduate module of the LLM (Commercial) at the University of Northumbria at Newcastle and obtained a Post Graduate Certificate for Maritime Mediation & Arbitration Structured Course at the Nanyang Technological University.



MR RONALD LIM CHENG AUN

Independent Non-Executive Director
Date of Appointment: 10 October 2013

Mr Lim is an Independent Non-Executive Director; Chairman of the Nominating & Remuneration Committee and a Member of the Investment Committee and Audit and Risk Committee of the Managers.

Mr Lim is also the Independent Non-Executive Chairman of SGX-listed Hiap Hoe Limited. Mr Lim has more than 36 years of experience in the banking and finance industry. He was with United Overseas Bank Limited where he held leadership and management positions as Head of Human Resource, Head of its Singapore Branches Operations and Division Head of Commercial Banking. He last held the position of an Executive Director. From 2009 to 2011, Mr Lim was Advisor to RGE Pte Ltd, a resource based and manufacturing group in the paper & pulp, palm oil and oil and gas industries.

Mr Lim is currently the Chairman of the Toa Payoh West Balestier Citizens' Consultative Committee. He was conferred the Public Service Medal and Public Service Star in recognition of his contribution to the community. Mr Lim graduated from the University of Singapore with a Bachelor of Social Science in 1970.



MR MICHEAL TAN HAI PENG

Non-Executive Director
Date of Appointment: 1 March 2013

Mr Tan is a Non-Executive Director and a Member of the Investment Committee and Nominating & Remuneration Committee of the Managers.

Mr Tan is currently an Executive Director of Ho Lee Group Pte Ltd, Non-Executive Director of Pacific Star Development Limited, and an Independent Director of Marco Polo Marine Limited.

Mr Tan, as a Senior Lieutenant-Colonel (NS) with the Singapore Armed Forces, currently serves as Brigade Second-In-Command at the Headquarter Singapore Infantry Brigade and was conferred The Commendation Medal (Military) by the Singapore government in 2013 for his contribution to military services. Mr Tan is also the Chairman of Sembawang Community Club Management Committee. He was conferred the Public Service Medal in 2011 and Public Service Star in 2017 for his contributions to public services in Singapore.

Mr Tan graduated from the Florida Institute of Technology, USA, with a Bachelor of Science in Computer Engineering with Highest Honours and holds a Master of Business Administration (For Senior Executives) from the National University of Singapore.

BOARD OF DIRECTORS



MR TAN KIM SENG

Non-Executive Director
Date of Appointment: 22 April 2015

Mr Tan is a Non-Executive Director and a Member of the Investment Committee and Nominating & Remuneration Committee of the Managers.

Mr Tan is presently the Chairman and Managing Director of Kim Seng Holdings Pte Ltd and he plays an important role in setting the business strategies and directions.

Mr Tan is the founder and former Chairman of KS Energy Limited (Year: 1974 till mid of 2006). He started the industrial hardware business in 1974 and subsequently expanded its range of business to rig refurbishment, oil and gas equipment, hydraulic equipment, spares and parts and instrumentation. He has more than 30 years of experience in the trading business and has been instrumental in spearheading the growth of KS Energy Group. He is crucial in formulating the business strategies and directions of KS Energy Group.

Besides his business interests, Mr Tan is also involved in grassroots organization. He is currently the Patron of Hong Kah North Citizens' Consultative Committee.

Mr Tan graduated from the Nanyang University with a Bachelor of Science (Mathematics) in 1974.



MR TONG JINQUAN

Non-Executive Director
Date of Appointment: 13 November 2017

Mr Tong is a Non-Executive Director and a Member of the Investment Committee of the REIT Manager.

Mr Tong has more than 20 years of experience in property investment, property development and property management in the People's Republic of China. He is the founder and Chairman of Shanghai Summit (Group) Co., Ltd. and its subsidiaries (the "Summit Group") and the Chairman of Shanghai Changfeng Real Estate Development Co., Ltd.

Having established Summit Group in 1994, Mr Tong has been responsible for overseeing the growth of Summit Group, which holds and operates commercial properties in Shanghai, Shenyang and Chengdu. Its portfolio includes hotels, serviced apartments, office buildings and a shopping mall. Mr Tong's experience through Summit Group encompasses industrial, commercial and residential investments, investment management, trading, property development, hotel management, property management, business consultancy, convention and exhibition services, goods export and technology import, software services and maintenance of office equipment.

Mr Tong is also a Non-Executive Director of IREIT Global Group Pte Ltd, the manager of IREIT Global which is listed on the SGX, and of New Century Asset Management Limited, the manager of New Century REIT which is listed on the Hong Kong Stock Exchange.



MR WILSON ANG POH SEONG

Chief Executive Officer and Executive Director
Date of Appointment: 21 February 2012

Mr Ang is an Executive Director, a Member of the Investment Committee and Chief Executive Officer of the Manager. He works on the strategy with the Board Members and is responsible for strategic planning, overall management and operations of VIT.

Mr Ang has extensive experience in REIT management, industrial property investment and consultancy services. Mr Ang was the Consultant of Asia Industrial Services with Colliers International prior to co-founding the REIT Manager as CEO to spearhead the setting up of Viva Industrial REIT. In his previous role, he focused on Industrial Investment Markets in Singapore and Asia, advising building owners, investors including REITs, private and institution funds on their real estate portfolio as well as servicing their real estate portfolio requirements across Asia.

Mr Ang co-founded Cambridge Industrial Trust Management Limited ("CITM") in 2005, the manager of Cambridge Industrial Trust ("CIT") where he was responsible for structuring and amalgamating a portfolio of industrial properties for the listing of CIT on the SGX-ST, negotiating with owners on terms and legal documentation, as well as working with all consultants on due diligence and overseeing the business development and growth of CIT's strategic business. He was the Managing Director (Investment) of CITM post listing of CIT in July 2006 where he was responsible for formulating investment strategies and growing the portfolio with a view to enhance CIT's portfolio. From 2007 to 2009, Mr Ang was Chief Executive Officer of CITM, where he was responsible for strategic planning, management and operation of CIT, as well as managing and overseeing the management team of CITM to ensure that the investment, asset management, financial and operational strategies and objectives of CIT are effectively implemented and in accordance with CITM's stated investment and operational strategies.

Prior to co-founding CITM, Mr Ang was Executive Director and Head of the Industrial Division at Colliers International (Singapore) Pte. Ltd., where he was responsible for managing a team of marketing executives, formulating department strategies for the business and growth of the department, and engaging in industrial development consultancy and project marketing and industrial investment sales activities.

Mr Ang is also a director of Viva iTrust MTN Pte. Ltd., Viva Investment Management Pte. Ltd. and Maxi Capital Pte. Ltd.

Mr Ang graduated from the National University of Singapore with a Bachelor of Science (Estate Management) (Honours) in 1990.

MANAGEMENT TEAM



MR WILSON ANG POH SEONG

Chief Executive Officer and Executive Director

(Please see Board of Directors Page 25)



MR LAWRENCE CHAN WEE KIAT

Chief Financial Officer

Mr Chan is responsible for the corporate finance, treasury, financial reporting, forecast and budgeting, tax, internal control, financial risk management, corporate governance and compliance functions.

Mr Chan has more than 16 years of experience in audit, accounting and finance-related work. Prior to joining the REIT Manager, Mr Chan was the Financial Controller of Hoe Leong Corporation Ltd., a company listed on the Main Board of the SGX-ST, where he was responsible for the group's financial functions, including corporate finance, mergers and acquisitions, treasury, tax and financial reporting matters.

From July 2007 to September 2010, Mr Chan was an Associate Director with Genesis Capital Pte. Ltd., an independent corporate finance advisory firm licensed by the MAS to provide corporate advisory services. From July 2000 to April 2007, Mr Chan was an Audit Manager with KPMG where he was responsible for the audit of Singapore and Chinese companies across various industries.

Mr Chan is also a director of Viva Real Estate Asset Management Pte. Ltd. and Viva iTrust MTN Pte. Ltd.

Mr Chan is a Chartered Accountant of Singapore and non-practicing member of the Institute of Singapore Chartered Accountants. He graduated from Nanyang Technological University with a Bachelor of Accountancy in 1999.



MR FRANK NG TZE WEI

Chief Operating Officer

Mr Ng reports directly to the Chief Executive Officer and focuses on driving VIT strategic and operational initiatives including expanding and directing VIT's investments, capital market access and leasing & marketing performance. His leadership role oversees the investment, investor relations, leasing & marketing functions and corporate functions.

Mr Ng is a Chartered Financial Analyst who began his career as an economist at the Monetary Authority of Singapore ("MAS"). He was a key personnel in the listing of VIT on the Singapore Exchange as the Head of Corporate Finance and Investor Relations. Prior to joining the REIT Manager, Mr Ng was Lead Economist at the MAS.

Mr Ng was involved in corporate finance work and managed investor relations activities as the Head of Investment & Strategy at Hoe Leong Corporation Ltd from 2010 to 2012. In addition, he was also in the deal team for an Asian-focused real estate development fund, Pacific Star Investment & Development.

Mr Ng currently holds a directorship in Viva Real Estate Asset Management Pte Ltd.

Mr Ng graduated with a Bachelor of Arts in Economics from Princeton University in 2004 and is an adjunct lecturer with the National University of Singapore, Department of Real Estate.



MR KENDRICK KWEK CHIN LIANG

Head of Asset Management

Mr Kwek is in charge of the asset management team, where he is responsible for formulating the overall business plans of VIT's properties.

Mr Kwek has over 27 years of real estate experience in property and asset management in Singapore and China. He has extensive experience in managing a wide range of real estate portfolios, including commercial, retail, industrial, residential, hotel and serviced apartments. Prior to joining the REIT Manager, Mr Kwek was Senior Director at Tishman Speyer, where he was the Head of Property Management in China and was responsible for all property management activities and operations of properties owned by Tishman Speyer in China.

Before Tishman Speyer, Mr Kwek was Assistant General Manager and Head of Property Management at one of the mixed-use developments in Dalian, which is owned by the Shui On group. He was responsible for the development of property management strategies and oversaw property management activities.

In addition, Mr Kwek has also held senior positions at several major developer companies and hotel group in Singapore including Cambridge Industrial Property Management Pte Ltd.

Mr Kwek also holds a directorship in Viva Real Estate Asset Management Pte Ltd.

Mr Kwek graduated from the National University of Singapore with a Bachelor of Science in Estate Management (Second Class Upper Division Honours) and holds a Master of Science in Real Estate. He previously served as Vice-Chair (Shanghai) of Buildings Owners & Managers Association ("BOMA") China. He is a member of the Singapore Association of Property and Facility Managers.



MR VINCENT LIM SIAK KWAN

Head of Compliance & Risk Management

Mr Lim is responsible for advising and updating the Manager on compliance requirements under the Securities and Futures Act ("SFA"), MAS Notices and Guidelines, Collective Investment Schemes ("CIS") code and SGX Listing Rules; and making recommendations with respect to the Manager's compliance and risk management processes. He is also responsible for developing and administering the compliance and risk management policies.

Prior to joining the Manager, Mr Lim was Assistant Vice President of Compliance with OCBC Securities Pte Ltd where he provided regulatory compliance advice to the management and staff of OCBC Securities, liaised with MAS and SGX on compliance matters, and supervised a team of compliance officers.

Before OCBC Securities, Mr Lim was a Team Leader with the Commercial Affairs Department of the Singapore Police Force, where he investigated cases of corporate and securities fraud, and money laundering activities.

Mr Lim graduated from Nanyang Technological University with a Bachelor of Accountancy.

PROPERTIES PROFILE



Business Park Light Industrial Logistics

Business Park



1 VIVA BUSINESS PARK



2 UE BIZHUB EAST
Business Park Component



3 UE BIZHUB EAST
Hotel Component

Light Industrial



4 HOME-FIX BUILDING



5 JACKSON SQUARE



6 JACKSON DESIGN HUB



7 11 UBI ROAD 1

Logistics



8 MAUSER SINGAPORE



9 30 PIONEER ROAD



10 6 CHIN BEE AVENUE

PROPERTIES PROFILE



VIVA BUSINESS PARK

750-750E Chai Chee Road

Property Type	**Business Park**
Valuation	**S$350.0m***
Purchase Cost	**S$193.0m**
Gross Revenue for the year	**S$41.8m**
GFA	**1,526,762 sq ft**
Age	**18.6 years**
Remaining Land Lease	**13.3 years**
Occupancy	**78.5%**
No of Tenants	**88**
No of Carpark Lots	**723**



JACKSON SQUARE

11 Lorong 3 Toa Payoh

Property Type	**Light Industrial**
Valuation	**S$73.2m***
Purchase Cost	**S$80.0m**
Gross Revenue for the year	**S$8.8m**
GFA	**418,586 sq ft**
Age	**8.1 years**
Remaining Land Lease	**11.4 years**
Occupancy	**86.3%**
No of Tenants	**22**
No of Carpark Lots	**223**



JACKSON DESIGN HUB

29 Tai Seng Street

Property Type	**Light Industrial**
Valuation	**S$33.4m***
Purchase Cost	**S$31.4m**
Gross Revenue for the year	**S$2.2m**
GFA	**85,070 sq ft**
Age	**8.9 years**
Remaining Land Lease	**49.4 years**
Occupancy	**100.0%**
No of Tenant	**1**
No of Carpark Lots	**45**



11 UBI ROAD 1

11 Ubi Road 1

Property Type	**Light Industrial**
Valuation	**S$85.0m***
Purchase Cost	**S$86.1m**
Gross Revenue for the year	**S$7.2m**
GFA	**253,058 sq ft**
Age	**20.1 years**
Remaining Land Lease	**37.7 years**
Occupancy	**100.0%**
No of Tenants	**5**
No of Carpark Lots	**69**

* Based on independent valuation performed by Cushman & Wakefield VHS Pte Ltd. as at 31 December 2017



UE BIZHUB EAST
Business Park Component
Green Mark Gold[Plus]

6 & 8 Changi Business Park Avenue 1

Property Type	**Business Park**
Valuation	**S$358.0m***
Purchase Cost	**S$380.0m**
Gross Revenue for the year	**S$25.7m**
GFA	**626,018 sq ft**
Age	**5.7 years**
Remaining Land Lease	**50.1 years**
Occupancy	**90.0%**
No of Tenants	**32**
No of Carpark Lots	**299**



UE BIZHUB EAST
Hotel Component
Green Mark Gold

2 & 4 Changi Business Park Avenue 1

Property Type	**Hotel**
Valuation	**S$160.0m***
Purchase Cost	**S$138.0m**
Gross Revenue for the year	**S$9.0m**
GFA	**157,397 sq ft**
Age	**5.7 years**
Remaining Land Lease	**50.1 years**
Occupancy	**99.0%**
No of Tenants	**4**
No of Carpark Lots	**299**



HOME-FIX BUILDING

19 Tai Seng Avenue

Property Type	**Light Industrial**
Valuation	**S$47.8m***
Purchase Cost	**S$46.4m**
Gross Revenue for the year	**S$3.2m**
GFA	**120,556 sq ft**
Age	**6.6 years**
Remaining Land Lease	**49.7 years**
Occupancy	**100.0%**
No of Tenant	**1**
No of Carpark Lots	**109**



MAUSER SINGAPORE

81 Tuas Bay Drive

Property Type	**Logistics**
Valuation	**S$28.0m***
Purchase Cost	**S$28.0m**
Gross Revenue for the year	**S$1.9m**
GFA	**107,566 sq ft**
Age	**5.6 years**
Remaining Land Lease	**48.6 years**
Occupancy	**100.0%**
No of Tenant	**1**
No of Carpark Lots	**14**



30 PIONEER ROAD

30 Pioneer Road

Property Type	**Logistics**
Valuation	**S$55.0m***
Purchase Cost	**S$50.3m**
Gross Revenue for the year	**S$4.5m**
GFA	**281,090 sq ft**
Age	**7.3 years**
Remaining Land Lease	**19.1 years**
Occupancy	**100.0%**
No of Tenant	**1**
No of Carpark Lots	**59**



6 CHIN BEE AVENUE

Chin Bee Avenue

Property Type	**Logistics**
Valuation	**S$94.3m***
Purchase Cost	**S$92.7m**
Gross Revenue for the year	**S$7.4m**
GFA	**324,166 sq ft**
Age	**1.7 years**
Remaining Land Lease	**25.8 years**
Occupancy	**100.0%**
No of Tenant	**1**
No of Carpark Lots	**44**

PORTFOLIO HIGHLIGHTS

STABLE GROWTH WITH SOUND OPERATIONAL PERFORMANCE

As at 31 December 2017, VIT's portfolio comprised 9 properties with a total portfolio valuation of S$1.28 billion. The well-diversified portfolio includes 2 business parks, 3 logistics and 4 light industrial properties that are strategically located in key business parks and established industrial clusters in Singapore. In January 2017, the REIT Manager completed the acquisition of 6 Chin Bee Avenue, a high specifications ramp-up logistics development at 6 Chin Bee Avenue at S$87.3 million*. With the acquisition, VIT's overall portfolio gross floor area ("GFA") grew 8% to 3.9 million sq ft and net lettable area ("NLA") increased by 10% to 3.3 million sq ft respectively for the year.

PORTFOLIO SUMMARY

TOTAL NUMBER OF PROPERTIES
9

TOTAL NUMBER OF TENANTS
156

TOTAL GFA
3.9 million sq ft

TOTAL NLA
3.3 million sq ft

WEIGHTED AVERAGE LEASE EXPIRY ("WALE")
2.6 years

WEIGHTED AVERAGE LAND LEASE (BY VALUATION)
33.7 years

WEIGHTED AVERAGE OCCUPANCY
90.6%

TOTAL VALUE
S$1.28 billion

LARGEST ASSET CLASS BY VALUATION
55.1% business park

* The acquisition of 6 Chin Bee Avenue from Sharikat National (Pte) Limited for a purchase consideration of S$87.3 million excludes upfront land premium of approximately S$5.4 million for the balance of the site's 30-year lease term. Based on the independent valuation report dated 12 October 2016 issued by Suntec Real Estate Consultants Pte Ltd, the valuation of 6 Chin Bee Avenue (including upfront land premium) was S$94.3 million, which was arrived at based on the discounted cash flow method and income capitalisation method.

PORTFOLIO HIGHLIGHTS



Viva Business Park

REAPING BENEFITS FROM ENHANCED BUSINESS PARK ASSETS

Attributed to quality portfolio and proactive marketing efforts, the REIT Manager continued to achieve high portfolio occupancy of 90.6% as at 31 December 2017.

The completion of AEI at VBP lifted the "white" space committed occupancy to 97.2% as at 31 December 2017, the spill-over effects to the business park space resulted in a 3.0% positive rental reversion at the property for FY2017.

With the commencement of operation of the Downtown Line ("DTL") Phase 3 in October 2017, connectivity to UEBH has been significantly enhanced. The DTL station located right below the property now connects the many banks' back offices at Changi Business Park to their front offices in the Central Business District. The completion of the DTL subway link and the outdoor Urban Plaza further enhanced accessibility to Expo Station and Changi City Point.

Despite a soft leasing market, the REIT Manager managed to renew 305,000 sq ft of existing leases and secure 113,000 sq ft of new leases (excluding 6 Chin Bee Avenue), with an overall portfolio rental reversion of 2.6% for FY2017. The new leases (including 6 Chin Bee Avenue) that commenced during FY2017 contributed 9.6% of the gross revenue for FY2017.

OCCUPANCIES OF VIT'S PROPERTIES AS AT 31 DECEMBER 2017

PROPERTY NAME	BUILDING TYPE	NET LETTABLE AREA (SQ FT)	OCCUPANCY
Viva Business Park	Multi-Tenanted Building ("MTB")	1,133,740	78.5%
UE BizHub EAST	MTB[1]	669,368	92.3%[2]
Home-Fix Building	Sale & Lease Back Building ("SLB")	120,556	100.0%
Jackson Square	MTB	345,847	86.3%
Jackson Design Hub	SLB	85,070	100.0%
11 Ubi Road 1	MTB	253,058	100.0%
Mauser Singapore	SLB	107,566	100.0%
30 Pioneer Road	SLB	281,090	100.0%
6 Chin Bee Avenue	SLB	324,166	100.0%
Overall Portfolio		**3,320,461**	**90.6%[3]**

LEASE RENEWAL OF VIT'S MULTI-TENANTED PROPERTIES IN FY 2017

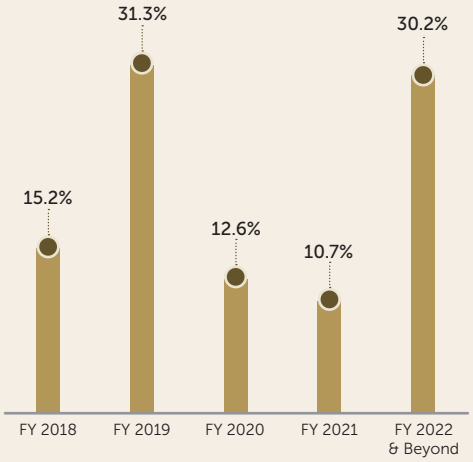
PROPERTY NAME	AREA DUE FOR RENEWAL (SQ FT)	AREA RENEWED		NON-RENEWAL	
		Sqft	%	Sq ft	%
Viva Business Park	285,728	266,901	93.4	18,827	6.6
UE BizHub EAST	13,943	12,843	92.1	1,100	7.9
Jackson Square	130,608	25,509	19.5	105,099	80.5
Total	**430,279**	**305,253**	**70.9**	**125,026**	**29.1**

1 The Hotel and Convention Centre is under a Master Lease with United Engineers Developments Pte. Ltd.
2 Includes the Hotel Component
3 This refers to portfolio weighted average occupancy by area

PORTFOLIO HIGHLIGHTS

VIT's lease expiry profile was well-staggered with not more than 32.0% of the committed leases by underlying gross rental income expiring in any year. Underpinned by its quality portfolio, VIT continued to enjoy a stable income stream with more than 40.9% of the leases committed till FY2021 and beyond, while the portfolio WALE stood at 2.6 years by rental income. The WALE of the new leases (including 6 Chin Bee Avenue) that commenced during FY2017 is approximately 4.9 years as at 31 December 2017.

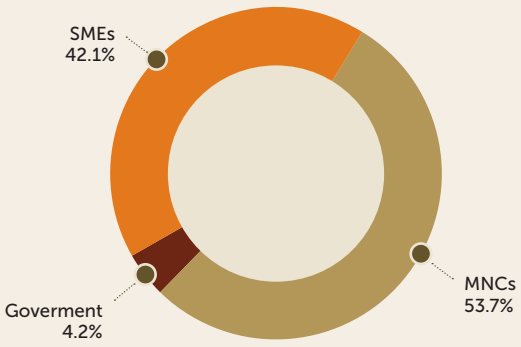
EXPIRY BY % OF UNDERLYING GROSS RENTAL INCOME AS AT 31 DECEMBER 2017



HIGH-QUALITY DIVERSIFIED TENANT MIX

As at 31 December 2017, VIT's nine properties serve a total tenant base of 156 tenants with multinational corporations ("MNCs") contributing approximately 53.7% of VIT's underlying gross rental income. The Top 10 Tenants accounted for about 43.0% of the Trust's gross rental income, with no single tenant accounting for more than 8.0% of VIT's monthly gross revenue.

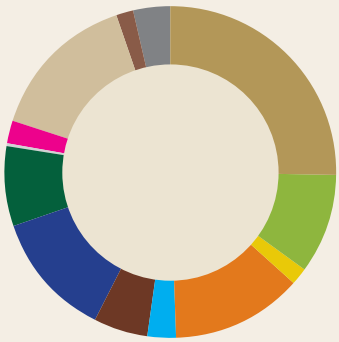
BREAKDOWN OF TENANT TYPE BY UNDERLYING GROSS RENTAL INCOME



TOP 10 TENANTS

1. Sharikat Logistics Pte Ltd **7.8%**
2. Cisco Systems (USA) Pte Ltd **6.1%**
3. Meiban Investment Pte Ltd **5.1%**
4. GKE Warehousing & Logistics Pte Ltd **4.6%**
5. 1-Net Singapore Pte Ltd **4.4%**
6. NTUC Fairprice Co-operative Limited **3.6%**
7. Home-Fix D.I.Y. Pte Ltd **3.2%**
8. Decathlon Singapore Pte Ltd **3.1%**
9. Johnson Controls (S) Pte Ltd **2.7%**
10. Pertama Merchandising Pte Ltd ("Harvey Norman") **2.4%**

To mitigate any concentration risks and enhance portfolio resilience, the REIT Manager ensured that tenant mix of VIT was well diversified across various trade sectors. Tenants from ICT (25.4%); e-business/data centre (14.8%) and general engineering / engineering services (12.7%) sectors were amongst the key tenant base of VIT, accounted for close to 53% of the portfolio's monthly gross income.

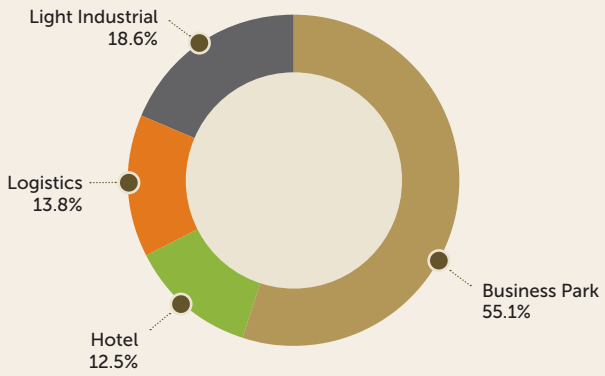


- Info-Communication Technology (ICT)/ Information Technology **25.4%**
- Retail **9.6%**
- Healthcare **1.9%**
- General Engineering/Engineering Services **12.7%**
- Electronics **2.6%**
- Food & Beverage (F&B) **5.3%**
- Warehousing & Logistics **12.4%**
- Lifestyle and Services **7.6%**
- Energy **0.4%**
- Packaging and Storage **2.1%**
- E-Business/Data Centre **14.8%**
- Self-Storage **1.7%**
- Others **3.5%**

PORTFOLIO HIGHLIGHTS

RESILIENT PORTFOLIO WITH STABLE VALUATION GROWTH

The yearly independent asset valuation was conducted by Cushman & Wakefield VHS Pte Ltd. With VIT's operational performance remaining sound and the acquisition of 6 Chin Bee Avenue, the portfolio valuation of VIT grew to S$1.28 billion as at 31 December 2017 from S$1.20 billion as at 31 December 2016. Amongst the asset classes, business park properties accounted for more than 55% of the total valuation, followed by light industrial and logistics properties at 18.6% and 13.8% respectively.



FY2017 PROPERTY MANAGEMENT HIGHLIGHTS

In June 2017, the Property Manager embarked on the project of replacing aged air-conditioning central chiller, cooling towers and accessories at 750B VBP to accommodate the increased cooling load resulting from higher occupancy since the completion of AEI works. The replacement aims to enhance the overall operational efficiency of the chiller system which contributes to savings in electricity costs. The air-conditioning equipment replacement programme has eliminated the high cost of maintaining the old equipment and also enhances the projects' economic life cycle.

As part of our continuous effort to develop long term sustainable operation strategies, the REIT Manager continued to work with energy retailers to extend the contestable energy bulk purchase arrangement to UEBH in May 2017. This initiative enabled VIT to achieve a saving of about S$360,000 per annum. Other energy saving efforts included the implementation of energy saving LED light fittings with infra-red sensors at the carpark and external areas of VBP which had also enhanced operational efficiency and effectiveness.

Lastly, the newly constructed vehicular link at 30 Pioneer Road now connects with the adjoining property, a ramp-up logistics property at 39 Benoi Road. This improves the efficiency of 30 Pioneer Road, converting a property without ramp-up facilities to one with access to a ramp.

INVESTMENT HIGHLIGHTS

THE SEARCH FOR GOOD QUALITY ASSETS IN SINGAPORE

In January 2017, VIT added its ninth asset, 6 Chin Bee Avenue, to its portfolio. The property is the third logistics property VIT owns and its first specialised cold-room logistics property catering to the food & beverage sector. The property is a 5-storey high specifications ramp-up logistics development with two levels of cold storage facilities, serving the resilient and growing food services industry. The acquisition of 6 Chin Bee Avenue has allowed VIT to tap on the rising demand for centralized food storage facilities, providing stable income as food spending constitutes a large part of non-discretionary spending for most consumers.

Furthermore, in May 2017, VIT completed the final phase of the AEI at VBP, successfully transforming VBP into the 'work-shop-dine-play' destination in the Chai Chee and the wider Bedok region. The completion of the AEI has successfully converted low-yielding spaces to higher-yielding "white" space at VBP and has provided the fillip in driving the DPS from 1.63 cents in 4Q 2015 before the first phase of the AEI was completed to 1.86 cents in 4Q 2017. The two investment milestones achieved in 2017 continue to reflect the REIT Manager's investment strategy of pursuing value-added opportunities that provide stable returns.

Looking ahead, the REIT Manager will continue to seek out value-enhancing opportunities for VIT either through direct asset acquisitions or strategic partnerships that could be transformative for VIT. The REIT Manager endeavors to grow VIT's portfolio by focusing on good quality assets with stable rental income in Singapore, providing stapled securityholders with steady distributions and long-term growth in asset value. In addition, the REIT Manager will review its existing portfolio to assess AEI opportunities so as to further unlock potential value while revitalising VIT's portfolio.

INDEPENDENT MARKET REPORT

BY KNIGHT FRANK PTE LTD
CONSULTANCY & RESEARCH
8 MARCH 2018

1 OVERVIEW OF SINGAPORE ECONOMY

1.1 SINGAPORE ECONOMIC PERFORMANCE

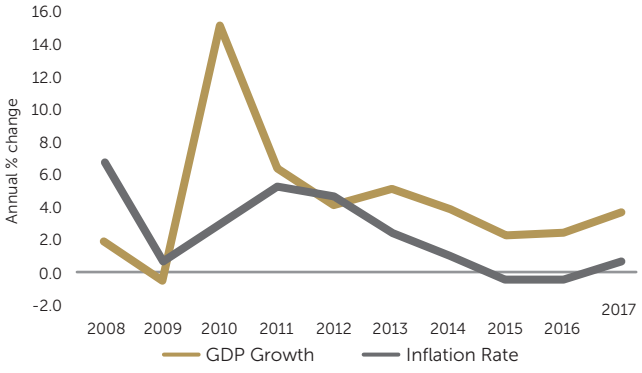
According to the Ministry of Trade and Industry ("MTI"), Singapore's Gross Domestic Product ("GDP") grew by 3.6 per cent annually for the whole of 2017, higher than the 2.4 per cent recorded in 2016 (Exhibit 1-1). All major sectors experienced growth, with the exception of the construction sector which saw a decline of 8.4 per cent. The main contributors were manufacturing, finance & insurance, as well as wholesale & retail trade. This performance was supported by an overall upswing in global economic growth, in particular surging demand for electronic gadgets.

After two years of negative inflation, Singapore finally saw an inflation of 0.6 per cent in 2017. This was largely attributed to the relatively high inflation seen in the transport industry, which rose by 2.6 per cent year-on-year ("y-o-y").

Conversely, output for general manufacturing cluster, transport engineering cluster and biomedical manufacturing cluster fell by 1.6 per cent, 6.9 per cent and 9.3 per cent respectively in 2017 compared to 2016.

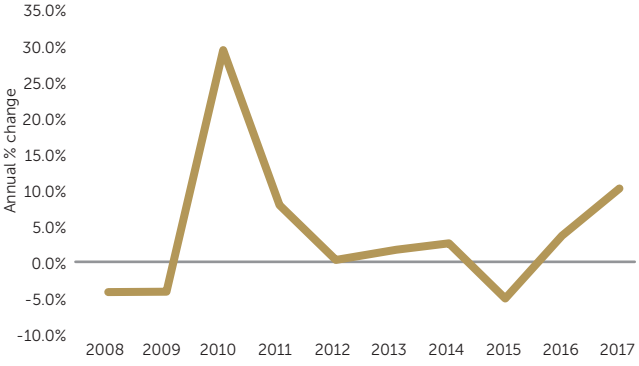
Singapore received close to S$6.2 billion in total manufacturing fixed asset investment ("FAI") in the whole of 2017, 5.5 per cent higher than the S$5.9 billion for 2016 (Exhibit 1-3). The increase in investment was mainly attributed to the general manufacturing industries and precision engineering clusters, which witnessed 387.7 per cent and 50.0 per cent of growth to reach S$1.1 billion and S$0.6 billion of FAI. The biomedical manufacturing and chemicals clusters also picked up by 9.1 per cent and 4.6 per cent to register S$0.6 billion and S$1.3 billion of FAI respectively. On the other hand, the transport engineering and electronics clusters experienced a decline of 65.4 per cent and 5.2 per cent over the same period. Nonetheless, at S$2.1 billion, the electronics cluster still made up 34.1 per cent of total FAI.

EXHIBIT 1-1: SINGAPORE GDP GROWTH AND INFLATION RATE, 2008 TO 2017



Source: MTI (as at 14 February 2018), Singstat, Knight Frank Consultancy & Research

EXHIBIT 1-2: CHANGE IN SINGAPORE INDEX OF INDUSTRIAL PRODUCTION, 2008 TO 2017



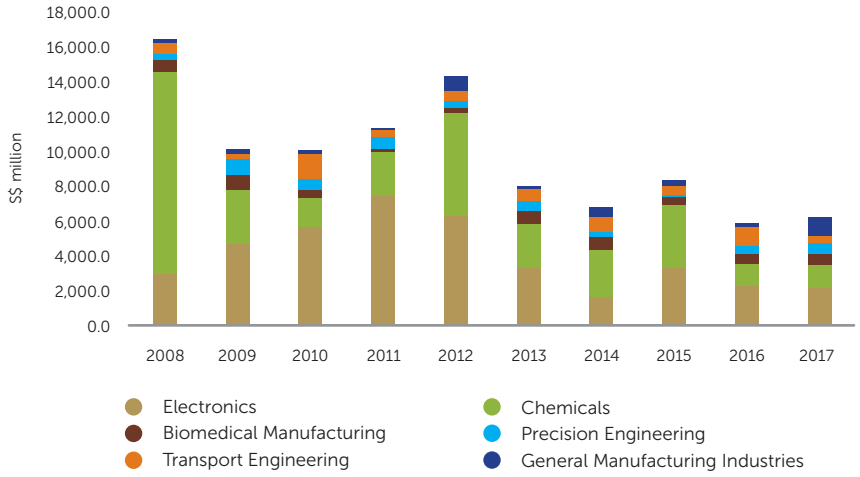
Source: Singstat, Knight Frank Consultancy & Research

1.2 MANUFACTURING OUTPUT AND INVESTMENT COMMITMENTS

According to Singapore's Index of Industrial Production, the manufacturing sector saw an expansion in output by 10.1 per cent annually in 2017, continuing from its climb of 3.7 per cent in 2016. For the whole of 2017, output for electronics, precision engineering and chemicals clusters rose by 33.5 per cent, 17.8 per cent and 6.2 per cent respectively compared to 2016.

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EXHIBIT 1-3: TOTAL MANUFACTURING FAI, 2008 TO 2017



Source: EDB, Knight Frank Consultancy & Research

1.3 MANUFACTURING SECTOR

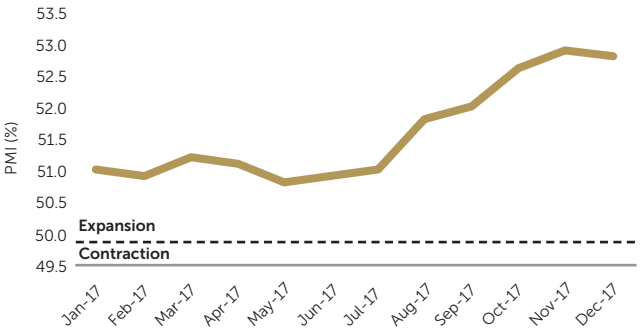
According to the Economic Development Board ("EDB")'s monthly manufacturing performance for December 2017, Singapore's manufacturing output decreased 3.9 per cent on a year-on-year basis, a notable change from the 5.3 per cent y-o-y growth seen in November 2017.

Nonetheless, all clusters expanded in December 2017 with the exception of the transport engineering and biomedical manufacturing clusters. Growth in the precision engineering cluster (18.2 per cent) was largely supported by growth in the precision modules & components segment (39.0 per cent) due to higher production in optical products and metal precision components. The chemicals cluster also saw an expansion of 14.4 per cent y-o-y; while all segments recorded output growth led by the chemicals (31.0 per cent) and petrochemicals (19.1 per cent) segments respectively. Smaller increases were witnessed in the electronics and general manufacturing industries clusters, being 4.2 per cent and 2.9 per cent respectively.

In contrast, the transport engineering cluster's output decreased 11.7 per cent y-o-y; this can be attributed to the marine and offshore engineering segment which contracted 18.2 per cent on the back of weak demand for oil rigs and oilfield & gasfield equipment amidst the low oil price environment. The biomedical manufacturing cluster also saw a decline of 34.7 per cent; the lower production of active pharmaceutical ingredients and biological products led to a fall of 43.6 per cent in the pharmaceuticals segment.

The Singapore Purchasing Managers' Index ("PMI") improved from 51.0 in January 2017 to 52.8 in December 2017. By the end of 2017, the PMI has recorded its 16th month of consecutive expansion; the marginal lower reading in December 2017 was attributed to a slower rate of expansion in factory output and inventory, but supported by a slightly faster rate of expansion in new orders, new exports and employment.

EXHIBIT 1-4: SINGAPORE PMI FROM JANUARY TO DECEMBER 2017



Source: Singapore Institute of Purchasing & Materials Management ("SIPMM"), Knight Frank Consultancy & Research

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1.4 SINGAPORE ECONOMIC OUTLOOK FOR 2018

The moderate GDP performance of 3.6% annual growth for 2017 was fuelled by expansion of the manufacturing sector, which is expected to continue, albeit at a slower pace. While the growth of services sector lagged behind that of manufacturing sector, its contribution to the overall growth is likely to be more balanced this year.

Global growth is envisaged to increase marginally in 2018; robust economic prospects in the US and certain emerging markets are expected to meet with slowdown in China, ASEAN-5 and the Eurozone, which make up some of Singapore's key external demand markets. It should also be noted that the potential steadfast recovery of the US's economy brings with it the possibility of a faster-than-expected normalization of monetary policy, and this tightening on liquidity could hurt business and consumer confidence on a global level. In addition, political uncertainty, such as the US's trade protectionist stance as well as geopolitical tensions in North Korea, are expected to weigh on economic and global trade sentiments. External headwinds remain a significant factor when it comes to the sustainability of Singapore's economic growth.

The potential sustained growth in the global economy in 2018 will benefit Singapore's export-oriented services such as transportation and storage as well as finance and insurance. On the domestic front, with government policies such as Smart Nation initiatives and expansion in healthcare facilities, sectors such as information & communications, education, health & social services should remain resilient. However, the growth of the construction sector is likely to remain slow (at least for the first half of 2018) due to weak construction demand (in particular from the private sector). Another risk that should be highlighted is the likelihood of the Central Bank embarking on monetary policy normalization this year, after being in the easing mode since 2015.

In light of these factors, Singapore's economic expansion is projected to moderate this year and growth is expected to be between 1.5 to 3.5 per cent. The manufacturing surge witnessed in 2017, propelled mainly by trade-related industries as a result of resurgent global demand is likely to taper off. Nonetheless, the sector will continue to be supported by emerging technology trends such as the advancement of 'Internet of Things' this year. Construction, which has underperformed last year, should get a boost from the $1.4 billion worth of public sector contracts brought forward as well as a stream of progress payments from earlier rail-related contracts awarded in 2016. With services stepping up and construction decline bottoming out amidst growth moderation in manufacturing, the engines of economic growth should be well balanced this year.

2 SINGAPORE GOVERNMENT POLICIES ON INDUSTRIAL PROPERTY MARKET

2.1 INDUSTRIAL GOVERNMENT LAND SALES ("IGLS") PROGRAMME

The IGLS programme listed a total of 13 industrial sites in H1 2018 with a combined site area of 12.6 ha, which is relatively lower than the 13.9 ha of industrial site area listed for H2 2017. Of the listed sites under IGLS H1 2018, six sites are placed under the Confirmed List while the remaining seven sites on the Reserve List, totaling about 0.8 million sq ft and 1.5 million sq ft of future potential industrial space respectively. All the sites on the confirmed list are zoned 'Business 2' for heavier industrial use, with half of them (totaling 1.68 ha site area) located in Tuas South. As the Singapore government strives to keep up with the constantly evolving industrial sector, as well as to keep business cost competitive and affordable for genuine industrialists, sites with shorter lease tenures of between 20 to 30 years are launched.

A total of 10 IGLS sites were sold for the whole of 2017, amounting to a transaction value of S$34.4 million, which is about 53.3 per cent lower compared to S$73.7 million (12 sites sold) in 2016. On average, each site received about 3.3 bids in 2017, and this is slightly lower than the 3.5 bids in 2016.

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EXHIBIT 2-1: INDUSTRIAL GOVERNMENT LAND SALES FOR H1 2018

INDUSTRIAL GOVERNMENT LAND SALES ("IGLS") – H1 2018					
CONFIRMED LIST OF INDUSTRIAL SITES					
Location	**Site Area (ha)**	**Zoning**	**Gross Plot Ratio**	**Tenure (years)**	**Estimated Launch Month**
Plot 18, Tuas South Link 3	0.42	B2	1.4	20	Available
Plot 21, Tuas South Link 3	0.78	B2	1.4	20	February 2018
Woodlands Industrial Park E7/E8	0.88	B2	2.5	20	March 2018
Plot 26, Tuas South Link 3	0.47	B2	1.4	20	April 2018
Plot 10, Tampines Industrial Drive	0.47	B2	1.4	20	May 2018
Plot 2, Tanjong Penjuru	0.88	B2	2.5	20	June 2018
Total	**3.91**				
Reserve List of Industrial Sites					
Plot 13, Tuas South Link 1	2.40	B2	2.0	30	Available
Braddell Road	1.00	B1	2.5	30	Available
Plot 19, Tuas South Link 3	0.45	B2	1.4	20	March 2018
Plot 20, Tuas South Link 3	0.44	B2	1.4	20	April 2018
Yung Ho	1.26	B2	2.5	30	May 2018
Gul Circle	1.00	B2	1.4	20	June 2018
Woodlands Avenue 12	2.10	B2	2.5	30	June 2018
Total	**8.65**				

2.2 CONSOLIDATION OF HOUSING DEVELOPMENT BOARD ("HDB") INDUSTRIAL LAND AND PROPERTIES UNDER JTC CORPORATION ("JTC") WITH EFFECT FROM 1 JANUARY 2018

With effect from 1 January 2018, JTC officially assumed full ownership over all public sector's industrial land and properties in Singapore, and this includes about 10,700 industrial units and 540 industrial leases that were previously under the Housing and Development Board ("HDB")'s ownership. The consolidation of all public sector industrial land and properties under a single government agency will enable the Government to better support industrialists, in particular the small and medium enterprises ("SMEs"), in their business growth. According to JTC, the contracted terms and conditions of all HDB tenancies and leases with HDB will remain unchanged for the duration of the tenancy or lease contracts.

Industrialists will have one-stop access to the full range of public sector industrial facilities available. They will receive better support for their land and space needs across the different stages of their growth, as JTC will be able to better match their needs with a larger supply of industrial land and space.

The move also enables the Government to undertake more comprehensive master-planning of industrial estates across Singapore, as well as to facilitate more efficient clustering of complementary activities and integration of activities along the value chain. With the consolidation, some 16,300 industrial units and 3,640 land leases with total land area of 8,100 hectares will be under JTC's purview[1].

2.3 WAIVER OF MINIMUM BUILDING SPECIFICATION REQUIREMENTS FOR SMALL IGLS PLOTS

With effect from 1 July 2017, minimum building specification requirements such as the provision of a minimum number of goods lifts and loading bays, are waived for smaller IGLS plots (i.e. plots with less than 1 ha land size). Where such plots are typically meant for end-users' own operations, such waiver will allow for higher operational flexibility. Furthermore, to ensure that smaller IGLS plots are to be used primarily for end-users' own operations, successful tenderers (or subsequent owners) will also not be allowed to strata subdivide developments for sale throughout the full tenure period. These rules are seen as part of the government strategies to cater more for the business needs of real occupiers and end-users while

1 Source: The Business Times: 'All HDB Industrial Space to be under JTC by Q1 2018', 20 October 2016

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clamping down on speculative and investment purchase of industrial land to regulate and stabilise the market.

Notwithstanding the waiver for minimum building specification requirements and the restriction imposed on strata sub-division for smaller IGLS plots, these regulations will continue to be applied for larger IGLS plots.

2.4 INDUSTRY TRANSFORMATION MAP

As part of the government's strategic move to propel and transform Singapore over the next few years, the S$4.5 billion Industry Transformation Map ("ITM") was introduced at Budget 2016. It encompasses an integrated, targeted and industry-focused approach to develop the respective sectors by capitalising on their existing strengths, addressing the underlying issues, identifying challenges, threats and opportunities, as well as deepening partnerships between the various industry stakeholders in the likes of government, firms, industries, trade associations and chambers.

Under the ITM, there is a total of 23 selected industries. Among them, precision engineering, energy & chemicals, marine & offshore, aerospace, electronics, construction, logistics, wholesale trade and food manufacturing sectors are some of the key strategic industries that are of direct and close relevance to the industrial market. Going forward, the development and implementation of these ITMs would set the stage to boost the growth and transform the overall industrial landscape of Singapore through the reinforcement of key niches, capital value-adds and new jobs creation.

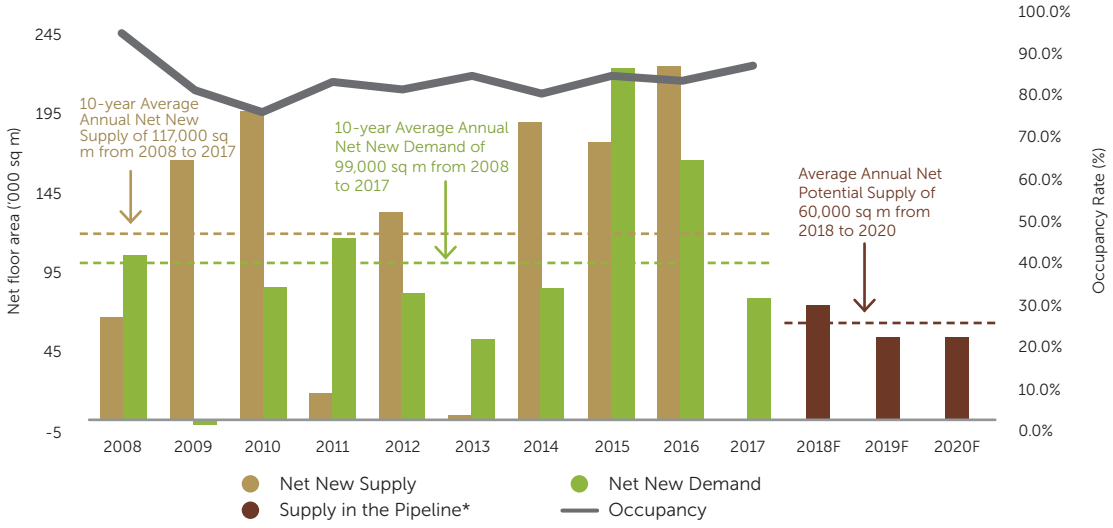
3. BUSINESS PARK SEGMENT OVERVIEW

3.1 EXISTING AND POTENTIAL SUPPLY

As at Q4 2017, the existing stock of business park space totaled 2.1 million sq m Net Lettable Area ("NLA"). Considering that it is almost consistent with 2016, it resulted in an almost negligible net new supply in 2017. In the same period, net new demand of business park registered 78,000 sq m NLA. This is about 53.0 per cent lower compared to 2016 and 21.4 per cent lower than the ten-year average annual net new demand of 99,000 sq m between 2008 and 2017. On the back of limited new supply and positive demand for business park space in 2017, the occupancy rate of business park space improved by 3.6 percentage point ("pt") from 83.0 per cent in 2016 to 86.6 per cent this year.

An estimated 180,000 sq m NLA of business park space is slated for completion between 2018 and 2020. Of which, 40.6 per cent (or 73,000 sq m NLA) is expected to be ready by 2018, and this is 37.6 per cent lower than the ten-year average annual net new supply of 117,000 sq m between 2008 and 2017. Some of the upcoming business park developments in the pipeline and to be completed by 2018 include those located in Media Circle (by BP-DoJo LLP with 35,210 sq m GFA) and Pasir Panjang (by Singapore Science Park Ltd with 11,610 sq m GFA).

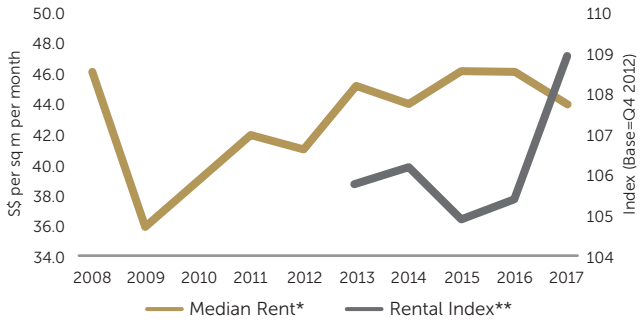
EXHIBIT 3-1: NET NEW SUPPLY, NET NEW DEMAND, OCCUPANCY AND POTENTIAL SUPPLY OF BUSINESS PARK SPACE, AS AT Q4 2017



* Gross potential supply is adjusted to net floor area based on Knight Frank's assumption of 85% space efficiency factor for Business Park developments

Source: JTC, Knight Frank Consultancy & Research

EXHIBIT 3-2: JTC MEDIAN RENTS AND RENTAL INDEX OF BUSINESS PARK SPACE, AS AT Q4 2017



* Median rents based on island-wide actual rental transaction and as at fourth quarter of each corresponding year (i.e. Q4 2017)
** JTC Rental Index of business park space available from 2012 onwards

To ensure that the indices are more reflective of the changes in market price and rental, JTC has adopted a new methodology for the compilation of the Industrial Property Price and Rental Indices from 4th Quarter 2014 onwards. Industries properties with similar attributes such as property type, location, remaining tenure and land-use zoning' will be grouped under varying categories. Additionally, fixed weights (calculated based on transaction values) will be used in the computation of the indices and kept constant at the base period. Both improvements in the new methodology will allow price or rental movements of properties with similar attributes to be compared and be less susceptible to changes in the attributes of the properties transacted or weights across periods.

Source: REALIS, Knight Frank Consultancy & Research

3.2 RENTS

Island-wide median rents of business park space moderated by 4.6 per cent y-o-y at S$44.00 per sq m per month ("psm pm") in 2017 compared to S$46.13 psm pm in 2016. Conversely, the JTC Rental Index for Business Park (that takes into account island-wide rental transactions of business park space) increased by 3.3 per cent y-o-y in 2017 from the previous year, due to the limited new business park space injected into the market in 2017.

EXHIBIT 3-3: MONTHLY RENTS OF BUSINESS PARK SPACE ISLAND-WIDE

QUARTER	MINIMUM (S$ PER SQ M/ PER SQ FT)	25TH PERCENTILE (S$ PER SQ M/ PER SQ FT)	MEDIAN (S$ PER SQ M/ PER SQ FT)	75TH PERCENTILE (S$ PER SQ M/ PER SQ FT)	MAXIMUM (S$ PER SQ M/ PER SQ FT)
Q1 2016	$38.40/$3.57	$42.26/$3.93	$46.14/$4.29	$52.00/$4.83	$59.21/$5.50
Q2 2016	$34.47/$3.20	$41.98/$3.90	$44.13/$4.10	$50.00/$4.65	$60.28/$5.60
Q3 2016	$33.32/$3.10	$43.06/$4.00	$45.80/$4.25	$53.41/$4.96	$67.88/$6.31
Q4 2016	$29.07/$2.70	$41.73/$3.88	$46.13/$4.29	$50.71/$4.71	$66.74/$6.20
Q1 2017	$26.96/$2.50	$36.06/$3.35	$42.73/$3.97	$46.57/$4.33	$61.90/$5.75
Q2 2017	$27.99/$2.60	$41.39/$3.85	$44.15/$4.10	$46.00/$4.27	$65.67/$6.10
Q3 2017	$26.91/$2.50	$39.29/$3.65	$42.52/$3.95	$46.00/$4.27	$65.66/$6.10
Q4 2017	$26.90/$2.50	$39.52/$3.67	$44.00/$4.09	$48.44/$4.50	$66.74/$6.20

Note: Data as at 5 February 2018

Source: REALIS, Knight Frank Consultancy & Research

3.3 OUTLOOK

Considering the gradual convergence of office and business park rents, there are signs of slowdown in the 'flight for rent savings' trend where tenants were observed to move from office to business park spaces in previous years. With the positive growth anticipated for the manufacturing sector in 2018, as along with the government's constant push towards establishing high value-added manufacturing niches such as media and telecommunications, medical technology and e-commerce, it is likely to support the overall take-up for business park space this year. Coupled with the lower upcoming supply of business park space in 2018 compared with previous years between 2014 - 2016, occupancy is envisaged to remain healthy and could hover within the range of 85 per cent to 87 per cent, while rental performance is projected to improve between 0.5 per cent and 2.0 per cent by Q4 2018.

With the rising competition from new business park buildings (e.g. Mapletree Business City II) and developments that underwent asset enhancements (e.g. VBP and The Gemini @ The Science Park) in recent years, more landlords are likely to embark on project refurbishment plans to improve and enhance their existing assets. This is to ensure productiveness, efficiency, competitiveness, and attractiveness in the market, which may translate to higher rental value and an overall healthy occupancy performance for the business park segment.

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4. FACTORY SEGMENT OVERVIEW

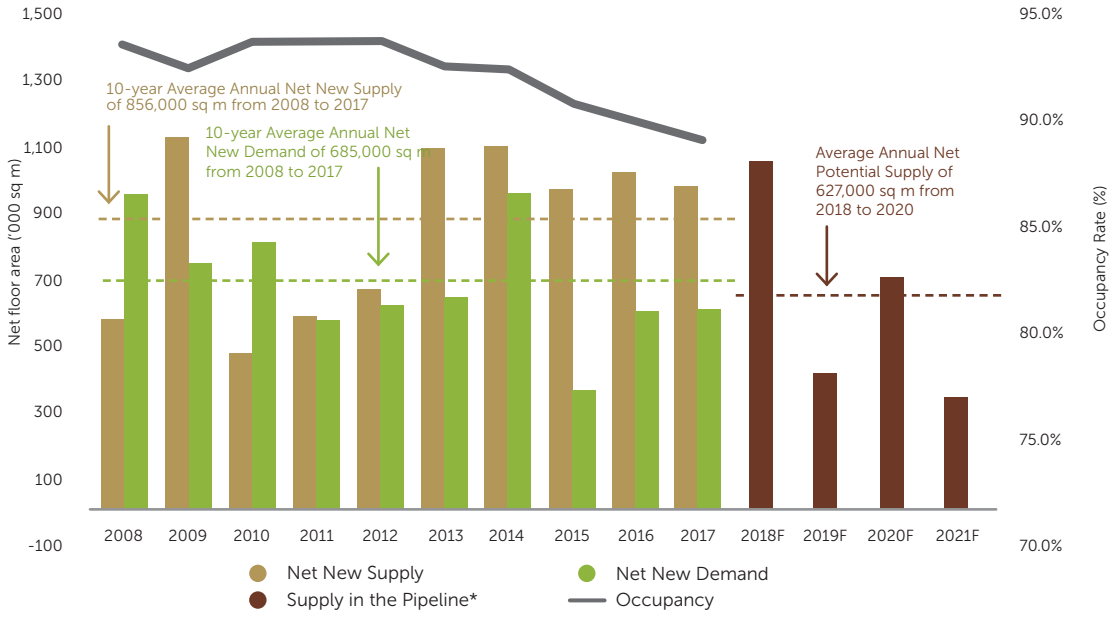
4.1 EXISTING AND POTENTIAL SUPPLY

As at Q4 2017, the existing stock for factory (including business park space) totaled 37.8 million sq m NLA, up by 2.7 per cent y-o-y. Excluding business park space, the existing factory stock stood at 35.7 million sq m NLA as at Q4 2017, increasing by 2.8 per cent y-o-y compared to the preceding quarter (i.e. Q4 2016). Of the total existing factory stock (excluding business park space), 68.9 per cent (24.6 million sq m) were single-user factory space while the multiple-user factory space accounted for the remaining 31.1 per cent (11.1 million sq m).

Net new supply (excluding business park space) of factory space decreased by 4.0 per cent y-o-y in 2017 from 2016 to register at 977,000 sq m. This was 14.1 per cent higher than the ten-year average annual net new supply of 856,000 sq m between 2008 and 2017. In the same period, net new demand of factory space (excluding business park space) increased by 0.6 per cent y-o-y to reach 605,000 sq m NLA in 2017. This is about 11.8 per cent lower than the ten-year average annual net new demand of 685,000 sq m between 2008 and 2017. With a large injection of new factory space (excluding business park) in the market, occupancy of factory space slipped by 0.8 pt from 89.8 per cent in 2016 to 89.0 per cent in 2017.

An estimated 2.5 million sq m NLA of new factory spaces (excluding business park space) is slated for completion between 2018 and 2021. Multiple-user factory space accounted for 45.3 per cent (1.1 million sq m NLA) of the total net new factory space (excluding business park space) between 2018 and 2021, while the remaining 54.7 per cent (1.4 million sq m NLA) is set aside for single-user factory developments. Of the total upcoming supply of new factory spaces (excluding business park space) expected to be completed between 2018 and 2021, about 42.0 per cent (1.1 million sq m) is expected to be ready in 2018. This is 23.0 per cent higher than the ten-year average annual net new supply of 856,000 sq m between 2008 and 2017.

EXHIBIT 4-1: NET NEW SUPPLY, NET NEW DEMAND, OCCUPANCY AND POTENTIAL SUPPLY OF FACTORY (EXCLUDING BUSINESS PARK) SPACE, AS AT Q4 2017



* Gross potential supply is adjusted to net floor area based on Knight Frank's assumption of 85% and 90% space efficiency factors for multiple-user and single-user factory developments respectively

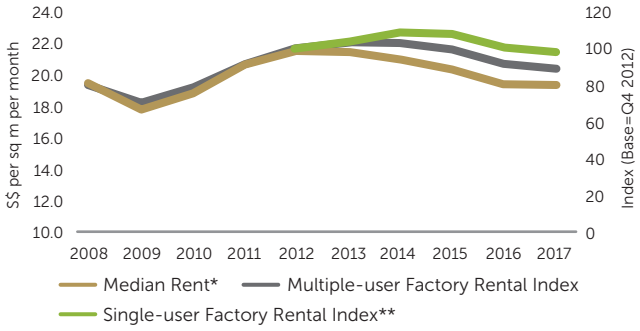
Source: JTC, Knight Frank Consultancy & Research

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4.2 RENTS

As at Q4 2017, median rents of island-wide factory space (excluding business park space) is estimated at S$19.33 psm pm, 0.3 per cent y-o-y lower than the preceding year. JTC Rental Indices of multiple-user and single-user factory space, which take into account island-wide rental transactions, have also declined by 2.8 per cent y-o-y and 2.6 per cent y-o-y in Q4 2017.

EXHIBIT 4-2: JTC MEDIAN RENTS (EXCLUDING BUSINESS PARK) AND RENTAL INDICES OF MULTIPLE-USER AND SINGLE-USER FACTORY SPACE, AS AT Q4 2017



* Median rents based on island-wide actual rental transaction and as at fourth quarter of each corresponding year

** JTC Rental Index of single-user factory space available from 2012 onwards

Source: REALIS, Knight Frank Consultancy & Research

EXHIBIT 4-3: MONTHLY RENTS OF ISLAND-WIDE FACTORY (EXCLUDING BUSINESS PARK) SPACE

QUARTER	MINIMUM (S$ PER SQ M/ PER SQ FT)	25TH PERCENTILE (S$ PER SQ M/ PER SQ FT)	MEDIAN (S$ PER SQ M/ PER SQ FT)	75TH PERCENTILE (S$ PER SQ M/ PER SQ FT)	MAXIMUM (S$ PER SQ M/ PER SQ FT)
Q1 2016	$7.85/$0.73	$16.24/$1.51	$20.09/$1.87	$24.22/$2.25	$49.18/$4.57
Q2 2016	$7.44/$0.69	$15.74/$1.46	$19.38/$1.80	$23.74/$2.21	$46.99/$4.37
Q3 2016	$7.44/$0.69	$16.27/$1.51	$19.54/$1.82	$23.67/$2.20	$56.38/$5.24
Q4 2016	$8.26/$0.77	$16.15/$1.50	$19.39/$1.80	$23.68/$2.20	$51.02/$4.74
Q1 2017	$7.47/$0.69	$16.53/$1.54	$19.61/$1.82	$23.61/$2.19	$52.08/$4.84
Q2 2017	$7.44/$0.69	$16.15/$1.50	$19.38/$1.80	$23.40/$2.17	$62.43/$5.80
Q3 2017	$7.41/$0.69	$15.81/$1.47	$19.06/$1.77	$23.13/$2.15	$58.13/$5.40
Q4 2017	$6.39/$0.59	$15.69/$1.46	$19.33/$1.80	$23.58/$2.19	$62.43/$5.80

Source: REALIS, Knight Frank Consultancy & Research

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4.3 OUTLOOK

Riding on the strong growth of the local manufacturing sector that is expected to remain as a key pillar to Singapore's economy in 2018, the outlook of the factory property segment is projected to be fairly optimistic in 2018.

Notwithstanding a large 13.7 million GFA of upcoming private factory space slated for completion in 2018, the majority space (65.0 per cent or 8.9 million sq ft GFA) are single-user developments, and are likely to have pre-committed occupiers. In the context of a potentially improving demand for factory spaces, the overall occupancy of factory space is likely to remain stable in 2018. Rental performance outlook is projected to be a mixed-bag where newer developments equipped with good specifications are likely to receive higher rentals. In a bid to retain and attract tenants, landlords of older and basic factory properties may have to offer competitive rental rates or undergo asset enhancements to upgrade their buildings to keep up with changing market needs.

As Singapore advances towards higher-value added manufacturing, the demand for higher specification and build-to-suit factory space is expected to grow in 2018. This rising trend could lead to greater flexibility for single-user factory developments over multiple-user factory spaces. However, considering the land constraint situation of Singapore that limits the expansion of such land-based developments, the rents and prices for single-user factory space is projected to improve over the next two to three years. In particular, developments with longer lease tenures (i.e. 40 - 60 years), which are limited in supply, may be more sought-after as opposed to those with shorter lease terms (i.e. 20 – 30 years). Overall, the rent of single-user factory may vary between - 3.0 per cent and 2.0 per cent y-o-y in Q4 2018, barring any unforeseen macroeconomic circumstances and policy change.

The broad-based recovery and prospect of growth in the manufacturing sector in 2018 could also support the demand for multiple-user factory space especially from related SMEs in Singapore. With the government's continual efforts to set up high quality specialised industrial hubs such as JTC Chemicals Hub @ Tuas South, JTC Food Hub @ Senoko, Seletar Aerospace Park, JTC MedTech Hub and JTC nanoSpace @ Tampines, it will further enhance the overall operational synergy, efficiency and standard of Singapore industrial properties towards higher productivity and competitiveness. However, notwithstanding the over-arching benefits, the landlords of private multiple-user factory space may face competition from the public multiple-user factory segment in attracting and retaining tenants, particularly for the medical, marine & offshore, aerospace, chemical and biomedical manufacturing clusters. Furthermore, taking into consideration the business cost sensitiveness among the SMEs, an upcoming injection of 361,000 sq m GFA of new multiple-user factory space in 2018 is expected to moderate the average rental movement from between -3.0 per cent and 1.0 per cent y-o-y in Q4 2018, barring unforeseen macroeconomic circumstances and policy changes.

5. WAREHOUSE SEGMENT OVERVIEW

5.1 EXISTING AND POTENTIAL SUPPLY

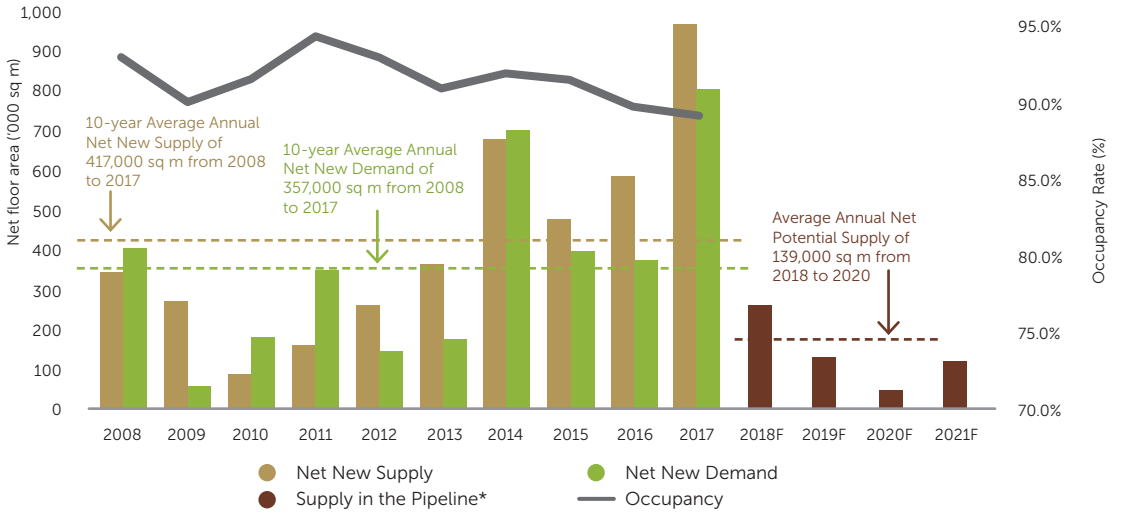
As at Q4 2017, the existing stock of warehouse totaled 10.4 million sq m NLA, increasing by 10.2 per cent y-o-y from the preceding year. The majority of warehouse space is based in the West Planning Region (62.5 per cent), while the rest of the stock is distributed across East, Central, North and North-East Regions at 16.4 per cent, 12.4 per cent, 4.9 per cent and 3.8 per cent respectively.

Net new supply of warehouse space surged by 65.3 per cent y-o-y to 964,000 sq m in 2017, and this is more than two times higher compared to the ten-year average annual net new supply of 417,000 sq m between 2008 and 2017. Net new demand more than doubled the figure registered in 2016 (372,000 sq m) and the ten-year average annual net new demand between 2008 – 2017 (357,000 sq m) to reach an estimated at 801,000 sq m in 2017. Notwithstanding the growth in demand, the injection of new warehouse space in the market resulted in a 0.6 pt decline in the island-wide occupancy of warehouse space from 89.7 per cent in 2016 to 89.1 per cent in 2017.

An estimated 556,000 sq m NLA of new warehouse space is slated for completion between 2018 and 2021. Of which, about 46.7 per cent (260,000 sq m NLA) is expected to be ready by 2018, and this is 37.8 per cent lower than the ten-year average annual net new supply of 417,000 sq m from 2008 – 2017.

INDEPENDENT MARKET REPORT

EXHIBIT 5-1: NET NEW SUPPLY, NET NEW DEMAND, OCCUPANCY AND POTENTIAL SUPPLY OF WAREHOUSE SPACE, AS AT Q4 2017



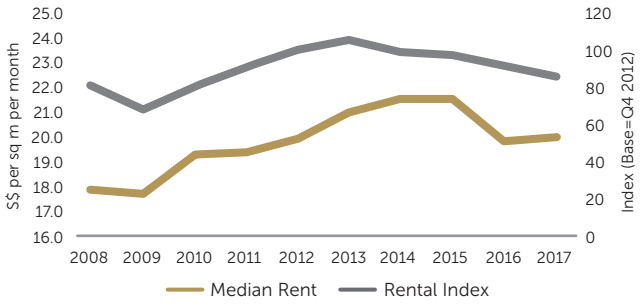
* Gross potential supply is adjusted to net floor area based on Knight Frank's assumption of 75% space efficiency factor for warehouse segment

Source: JTC, Knight Frank Consultancy & Research

5.2 RENTS

As at Q4 2017, median rents of island-wide warehouse space saw a slight increase by 0.81 per cent y-o-y to S$19.96 per sq m per month. JTC Warehouse Rental Index, however, slipped by 5.7 per cent y-o-y in Q4 2017.

EXHIBIT 5-2: MEDIAN RENTS AND JTC RENTAL INDEX OF WAREHOUSE SPACE, AS AT Q4 2017



Source: JTC, REALIS, Knight Frank Consultancy & Research

EXHIBIT 5-3: MONTHLY RENTS OF ISLAND-WIDE WAREHOUSE SPACE

QUARTER	MINIMUM (S$ PER SQ M/ PER SQ FT)	25TH PERCENTILE (S$ PER SQ M/ PER SQ FT)	MEDIAN (S$ PER SQ M/ PER SQ FT)	75TH PERCENTILE (S$ PER SQ M/ PER SQ FT)	MAXIMUM (S$ PER SQ M/ PER SQ FT)
Q1 2016	$10.30/$0.96	$18.01/$1.67	$21.72/$2.02	$27.59/$2.56	$37.71/$3.50
Q2 2016	$10.75/$1.00	$17.65/$1.64	$21.74/$2.02	$27.50/$2.55	$42.66/$3.96
Q3 2016	$8.86/$0.82	$17.22/$1.60	$20.91/$1.94	$26.24/$2.44	$45.45/$4.22
Q4 2016	$8.61/$0.80	$16.67/$1.55	$19.80/$1.84	$24.75/$2.30	$41.99/$3.90
Q1 2017	$8.42/$0.78	$16.54/$1.54	$20.98/$1.95	$26.91/$2.50	$42.49/$3.95
Q2 2017	$8.58/$0.80	$17.28/$1.61	$20.91/$1.94	$24.86/$2.31	$46.92/$4.36
Q3 2017	$7.00/$0.65	$16.30/$1.51	$21.42/$1.99	$26.38/$2.45	$45.45/4.22
Q4 2017	$6.99/$0.65	$16.18/$1.50	$19.96/$1.85	$25.34/$2.35	$43.00/$3.99

Source: JTC, REALIS, Knight Frank Consultancy & Research

INDEPENDENT MARKET REPORT

5.3 OUTLOOK

On the back of improving global trade which augers well for the logistics industry, coupled with the burgeoning e-commerce market which mandates for efficient logistics and supply chain operations on an island-wide scale, demand for warehousing space in Singapore is expected to pick up in 2018, albeit at a modest pace. As Singapore continues to strive towards being a 'Smart Nation' and build on its competitive advantage in digital and smart technology, the growth story of warehouse and logistics sector is likely to strengthen over the next two to three years. Under the industry transformation map, the logistics sector was one of the key industries shortlisted. Government agencies in the likes of Economic Development Board, Spring Singapore, SkillsFuture SG and Workforce Singapore will collaborate to achieve about 2,000 PMET (professional, managers, executives and technicians) jobs creation by 2020 with a value-add of S$8.3 billion in the logistics market. Furthermore, with Singapore's strategic location and strong connectivity to key gateway cities in South-East Asia, it will further appeal to both local and international logistics players who are keen to establish their presence or expand their businesses in the region.

While it may still take time for the existing vacant and upcoming 346,000 sq m GFA of warehouse space (slated for completion by 2018) to be absorbed by the market, the emergent signs of global economic expansion and growth in demand for logistics operations would provide support for industrial space take-up over the next two to three years. However, with the evolving requirements on space specification as productivity and efficiency took precedence, new warehouse buildings with well-equipped facilities, technologies and configuration which allows for flexibility in spatial needs will be more sought-after as opposed to the conventional and older warehouse spaces. New generation warehouse space that may be well received in the market in the near future include Supply Chain City, the flagship headquarters and warehouse facility of Singapore logistic firm YCH Group. Such a new age warehouse integrated development encompasses lifestyle and recreation amenities for its employees and customers, and also well equipped with up-to-date technologies such as radio-frequency identification and automated storage retrieval system to enhance operation efficiency.

Looking ahead, the rental movement of warehouse space is projected to remain stable or moderate by -3.0 to -1.0 per cent y-o-y in Q4 2018, or register marginal increase of up to 1.0 per cent y-o-y.

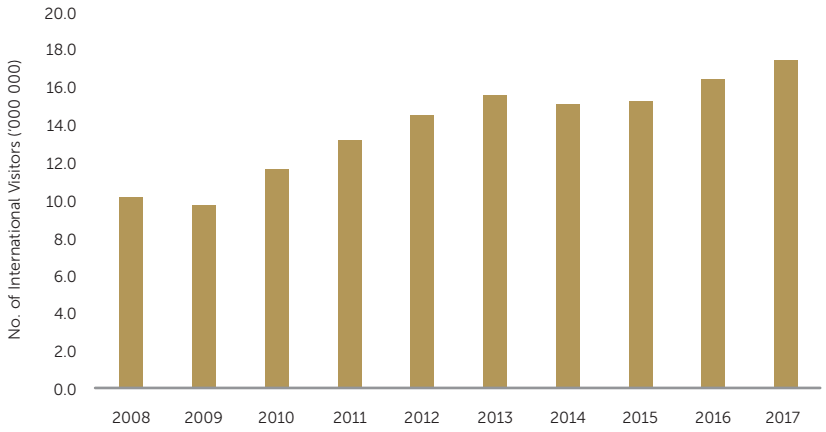
6. HOTEL MARKET OVERVIEW

6.1 INTERNATIONAL VISITOR ARRIVALS

Visitor arrivals rose by 6.2 per cent for 2017 to 17.4 million compared to 16.4 million over the same period in 2016. Notably, the number of visitor arrivals from India surged by 15.9 per cent in 2017 compared to 2016, as a result of fly-cruise tourism which allow visitors to fly to Singapore and join a cruise to visit nearby attractive Southeast Asian cruise destinations in Malaysia, Thailand and Vietnam. The number of visitor arrivals from China also registered a high growth rate of 12.7 per cent in 2017, supported by increased air connectivity and travel visa requirements that are less stringent. The government's continued efforts to market Singapore beyond first-tier cities to include secondary cities in China have also worked well. Visitor arrivals from Indonesia and Malaysia witnessed increase of 2.1 per cent and 1.5 per cent respectively over the same period.

For the first three quarters of 2017, total tourism receipts saw an improvement of 10.1 per cent to reach S$20.3 billion compared to the same period in 2016 (S$18.5 billion), with increased spending across all segments except F&B. The growth in tourist receipts was most pronounced in the sightseeing & entertainment component which registered a 28.3 per cent increase to reach S$4.2 billion; this was followed by other tourist receipts and shopping components which saw an improvement of 12.0 per cent and 9.6 per cent to register S$4.8 billion and S$4.7 billion of tourist receipts respectively. The accommodation component also witnessed growth compared to the same period in 2016, albeit at a lower rate of 2.5 per cent to reach S$4.6 billion. In contrast, the F&B component posted a decline of 4.8 per cent and saw S$2.0 billion of tourist receipts. Nonetheless, the general upward trend was in line with rising tourist arrivals during the same period; tourist arrivals increased 5.1 per cent in the first nine months of 2017 to 13.1 million, compared to 12.4 million for the same period in the previous year.

EXHIBIT 6-1: TOTAL INTERNATIONAL VISITOR ARRIVALS IN SINGAPORE



* Data last updated as at 13 February 2018.

Source: Singapore Tourism Board ("STB"), Knight Frank Consultancy & Research

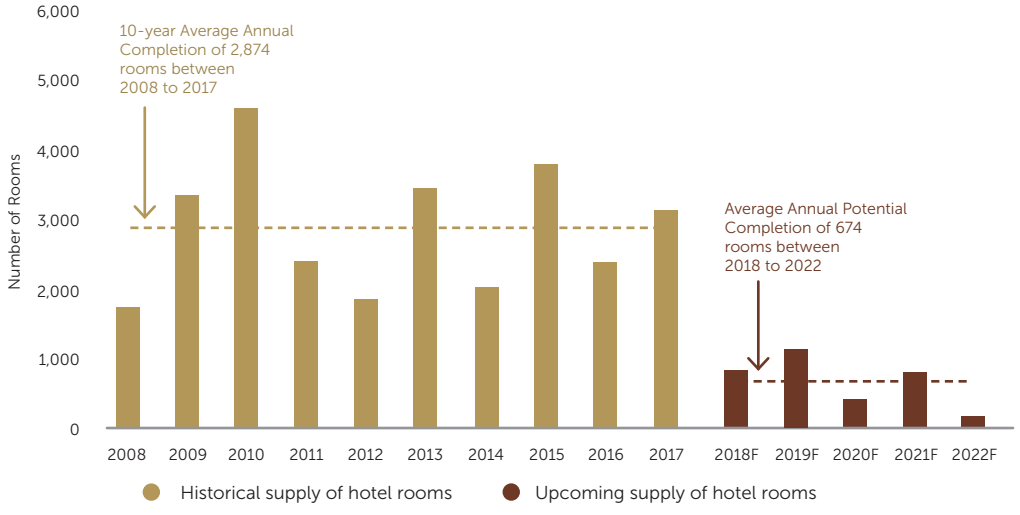
6.2 EXISTING AND POTENTIAL SUPPLY

As of end of 2015, Singapore had an inventory of 222 gazetted and 176 non-gazetted hotel developments contributing to a total of 60,841 rooms (Annual Report on Tourism Statistics Report 2015). Based on REALIS, approximately 2,395 hotel rooms were injected in 2016 and a further 3,128 hotel rooms were added to the market in 2017. This brings the estimated number of hotel rooms to 66,364 by the end of 2017.

Some examples of major hotel completions in 2017 include Andaz Singapore (342 rooms), Courtyard by Marriott (250 rooms), InterContinental Singapore Robertson Quay (225 rooms) and Novotel Singapore on Stevens (254 rooms).

As at Q4 2017, approximately 3,372 new hotel rooms were slated for completion between 2018 and 2022. The bulk of the upcoming hotel room supply at 33.9 per cent or 1,143 rooms is expected to commence operations by the end of 2019.

EXHIBIT 6-2: HISTORICAL AND UPCOMING HOTEL ROOM OPENINGS IN SINGAPORE, AS AT Q4 2017



Source: STB, REALIS, Knight Frank Consultancy & Research

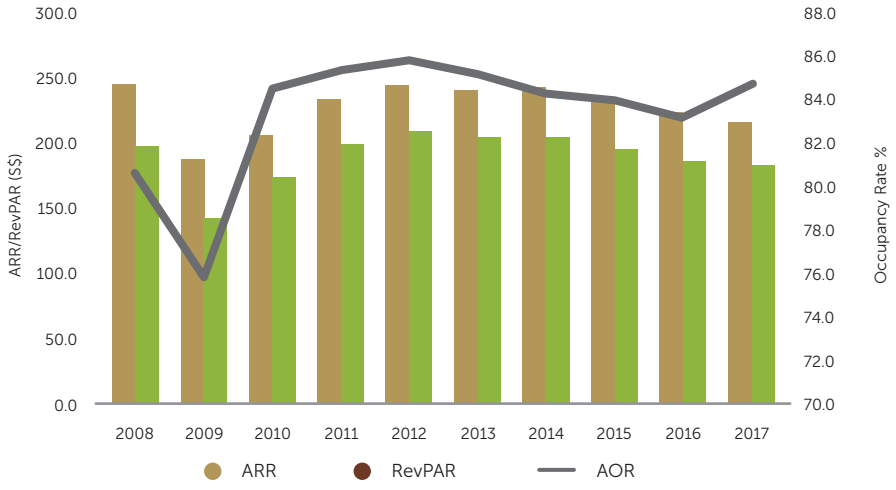
INDEPENDENT MARKET REPORT

6.3 HOTEL TRADING PERFORMANCE

The island-wide standard average occupancy rate ("AOR") stood at 84.7 per cent for 2017, compared with 83.1 per cent for 2016. Over the same period, the overall standard average room rates ("ARR") for gazetted hotel sector slipped from S$223 for 2016 to S$216 for 2017. Similarly, the ARR for mid-tier standard room also slipped to S$167 in 2017, translating to a 1.4 per cent fall compared to 2016.

Consequently, lower revenue per available room ("RevPAR") was reported for 2017, albeit only a slight dip from S$185 for 2016 to S$183 for 2017. In contrast, RevPAR for mid-tier standard rooms also saw an uptick of 0.1 per cent in 2017, compared to 2016. The average occupancy rate for mid-tier standard also experienced an increase of 1.3 percentage point to reach 85.9 per cent in 2017.

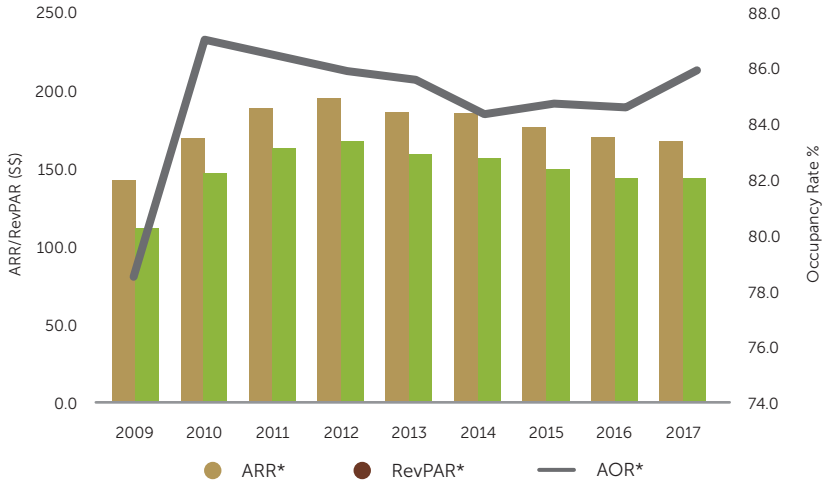
EXHIBIT 6-3: AOR, ARR AND REVPAR OF SINGAPORE GAZETTED HOTELS ISLAND-WIDE



*Data last updated as at 13 February 2018.

Source: STB, REALIS, Knight Frank Consultancy & Research

EXHIBIT 6-4: AOR, ARR AND REVPAR OF SINGAPORE MID-TIER GAZETTED HOTELS



*Data last updated as at 13 February 2018.
*AOR, ARR and REVPAR data by hotel tiers are released from 2009 onwards

Source: STB, REALIS, Knight Frank Consultancy & Research

6.4 OUTLOOK

The buoyant performance witnessed in the tourism sector in 2017 can be attributed to an upswing in global business and consumer confidence as well as an improving regional economic outlook. These factors will lift the tourism outlook for Singapore this year, in spite of continued global competition for the tourist dollar.

An optimistic business outlook should continue to drive meetings, incentives, conference and exhibitions ("MICE"). This would dovetail with the MICE 2020 roadmap, an initiative developed by Singapore Tourism Board ("STB") and the industry to enhance Singapore's attractiveness as a MICE venue by establishing a connected city, extending Singapore MICE experience outside of business events as well as growing Asia's MICE resource capital.

In addition, leisure travel is likely to be propelled by rising consumer confidence coupled with STB's marketing efforts, which has become more broad-based in order to capture a wider target market. Singapore is also well poised to capitalize on existing trends including the fly-cruise industry; yet the city needs to think of ways to increase the dwelling time of these travelers, either through renewed attractions or enhanced experiences.

One of the ways that STB is trying to stay ahead of the curve is through its collaboration with Alipay where both parties will collaborate and co-invest to better engage visitors through digital channels. This comprises joint-marketing initiatives to market Singapore and Alipay merchants with the objective of increasing visit spend via Alipay platforms, as well as the sharing of data and analytics on trends in Chinese travel to Singapore which will help to deepen the understanding of Chinese consumers and thus allow Singapore to better meet their travel needs and desires.

With an estimated 839 hotel rooms slated for completed in 2018, the subdued supply should be absorbed by rising demand from improved tourist numbers. AOR increased for 2017, with the exception to the luxury segment. However, ARR for the mid-tier, upscale and luxury segments fell by 1.4 per cent, 1.2 per cent and 0.8 per cent respectively; only the economy segment witnessed an increase of 1.8 per cent over the same period. RevPAR for the luxury segment also suffered a 2.8 per cent decline in 2017 while that for the upscale and mid-tier segments experienced an uptick of 0.1 per cent each. More discerning travelers seeking value-for-money accommodation may have resulted in a more challenging business environment for the luxury, upscale and mid-tier segments. As hotel operators seek to provide value-added services going forward, island-wide ARR and RevPar are expected to improve in 2018 in view of the modest upcoming new supply of hotel rooms coupled with biennial events like the Singapore Airshow which was held in February this year.

7. LIMITING CONDITIONS OF THIS REPORT

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FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

HIGHLIGHTS	FY2017 (S$'000)	FY2016 (S$'000)	VARIANCE (%) INC/(DEC)
Financial Results			
Gross Revenue	111,663	95,119	17.4
Net Property Income	81,806	68,478	19.5
Distributable Income	74,084	60,938	21.6
Distribution Declared[1]	72,305	60,938	18.7
Distribution per Stapled Security[2] (Singapore cents)	7.472	6.958	7.4
Financial Position			
Total Assets	1,318,395	1,253,906	5.1
Total Liabilities	571,823	514,959	11.0
Stapled Securityholders' Funds	746,572	738,947	1.0
Investment Properties	1,284,700	1,199,700	7.1
Financial Ratios			
Net Asset Value per Stapled Security (Singapore cents)	76.5	79.1	
Gearing Ratio (Total Borrowings over Total Assets) (%)	39.8	37.2	
All-in Borrowing Cost (%)	3.9	4.0	
Interest Cover (times)	4.6	4.2	
Distribution Yield (%)	9.6 (based on IPO price of S$0.780)	8.9 (based on IPO price of S$0.780)	
	8.0 (based on closing price of S$0.935 as at 29 Dec 2017)	9.2 (based on closing price of S$0.755 as at 30 Dec 2016)	
Interest Rate Exposure Hedged[3] (%)	84.4	89.9	
Fair Value of Financial Derivatives as a Percentage of Net Assets (%)	0.35	0.24	
Total Operating Expenses as a Percentage of Net Assets (%)	1.39	1.00	
Credit Ratings[4]			
Corporate	Ba1	Ba1	
MTN Programme[5]	(P)Ba2	(P)Ba2	
MTN Series 001	Ba2	Ba2	

1 The distribution declared for FY2017 is made on the basis as if the JS rental support arrangement is still in place notwithstanding the settlement agreement entered into with JIPL on 19 May 2017 pursuant to which JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement.
2 Distributions of VIT represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of VIT 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.
3 Based on outstanding borrowings as at 31 Dec 2017 and 31 Dec 2016, respectively.
4 The credit ratings are assigned by Moody's Investors Service. The credit ratings had been withdrawn on 21 February 2018 following the amendment to Appendix 6 of the Code of Collective Investment Schemes for REITs to adopt a single-tier leverage limit of 45% without the requirement for a credit rating.
5 Provisional rating to the MTN programme.

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

VIT's gross revenue of S$111.7 million for FY2017 was 17.4% higher than that of FY2016. The strong performance was mainly attributed to additional rental income contribution of S$7.4 million from 6 Chin Bee Avenue, which was acquired in January 2017; additional rental income contribution of S$1.3 million from 30 Pioneer Road, which was acquired in April 2016; higher rental and other income contribution of S$7.5 million from VBP which arose mainly from its business park and retail space, contestable electricity bulk purchase program and carpark income; and higher rental and other income contribution of S$1.6 million from UEBH which arose mainly from its business park and contestable electricity bulk purchase program. The net property income for the year grew by 19.5% to S$81.8 million, notwithstanding the increase in property expenses of 12.1% to S$29.9 million.

VIT received rental support of S$14.7 million during the year, which was S$2.0 million or 15.7% higher than that of FY2016. This was mainly due to the higher rental top-up of S$3.7 million received under the rental support arrangement for Jackson Square as a result of recognising S$4.9 million rental top-up due to the JS Rental Support Settlement[1] during the year. The increase was partially offset by lower rental top-up of S$1.7 million received under the UEBH support arrangement as a result of higher net rental income derived from UEBH.

VIT achieved distributable income of S$74.1 million for FY2017, which was 21.6% or S$13.1 million higher year-on-year. The distribution declared for FY2017 of S$72.3 million translates to DPS of 7.472 cents, which was 7.4% higher than that for FY2016.

CASH FLOWS AND LIQUIDITY

VIT's cash and cash equivalents stood at S$9.5 million as at 31 December 2017, as compared to S$30.5 million as at 31 December 2016.

Net cash generated from operating activities for FY2017 was S$91.2 million, an increase of S$14.4 million over the net operating cash inflows of S$76.8 million in FY2016. The increase was mainly attributed to higher net income achieved in FY2017 of S$13.5 million.

Net cash used in investing activities for FY2017 was S$87.2 million, which was an increase of S$23.4 million as compared to the investing cash outflows of S$63.8 million in FY2016. The increase was mainly due to the acquisition of 6 Chin Bee Avenue of S$73.3 million in FY2017, as compared to the acquisition of 30 Pioneer Road of S$52.2 million in FY2016.

Net cash used in financing activities was S$25.2 million in FY2017. This mainly included the repayment of borrowings of S$35.0 million; payments for finance expenses of S$18.5 million; and distributions paid to Stapled Securityholders of S$63.8 million, partially offset by the proceeds from borrowings of S$93.0 million. Net cash used in financing activities in FY2016 relates mainly to the repayment of borrowings of S$290.0 million with the refinancing of outstanding loans maturing in FY2016/17; payments for finance expenses of S$16.2 million and debt-related transaction costs of S$5.4 million; and distributions paid to Stapled Securityholders of S$56.4 million, partially offset by the proceeds from the refinancing of borrowings of S$294.0 million and the proceeds from the private placement of S$45.0 million in FY2016.

1 The JS Rental Support Settlement comprises S$4.9 million of rental support which includes (i) the cash payment of S$1.0 million; and (ii) the proceeds from the drawdown of the rental support bank guarantee of S$3.9 million, pursuant to the settlement agreement entered into with Jackson International Pte Ltd ("JIPL") on 19 May 2017 whereby, among other things, JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement.

FINANCIAL REVIEW

PROACTIVE CAPITAL MANAGEMENT

VIT seeks to optimise Stapled Securityholders' value through proactively managing its capital structure via an appropriate mix of debt and equity to finance acquisitions and AEI works while maintaining a strong and optimum balance sheet complying with the statutory requirements and the financial covenants in connection with VIT's borrowings.

In FY2017, VIT obtained a new senior secured term loan facility of S$35.0 million, which was subsequently drawn down in May 2017 to repay the outstanding revolving credit facility (the "RCF") that was utilised to partially fund the acquisition of 6 Chin Bee Avenue in January 2017. As at 31 December 2017, S$15.0 million of the S$50.0 million RCF had been utilised for general working capital purposes.

As at 31 December 2017, VIT's gearing ratio was 39.8%, which is within its financial policy of below 40.0%.

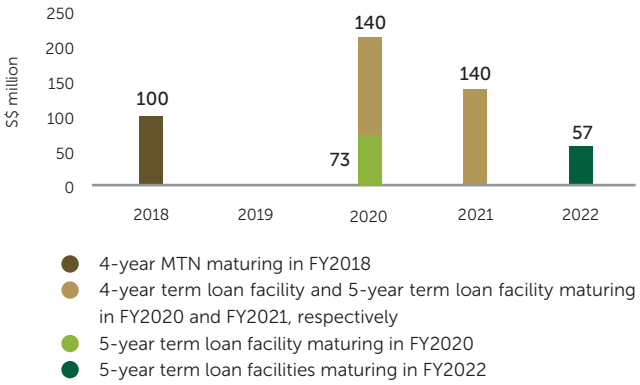
During the year, VIT entered into two new interest rate swaps with notional amounts of S$81.0 million and S$50.0 million with forward start dates in February 2018 so as to continue hedging borrowings of S$131.0 million for an additional year when the existing two interest rate swaps with the same notional amounts mature in February 2018.

As at 31 December 2017, VIT's total borrowings* (including its S$100.0 million MTN) stood at S$525.0 million, of which 84.4% were on fixed interest rates.

For the S$100.0 million MTN which is maturing in September 2018, there are various funding options available to VIT to refinance the MTN which may include issuing new MTN of the same amount under its S$500.0 million Multicurrency MTN Programme, which has an undrawn balance of S$400.0 million.

As at 31 December 2017, the weighted average maturity of VIT's debt was approximately 2.5 years**.

DEBT MATURITY PROFILE**



STAPLED SECURITY PRICE PERFORMANCE

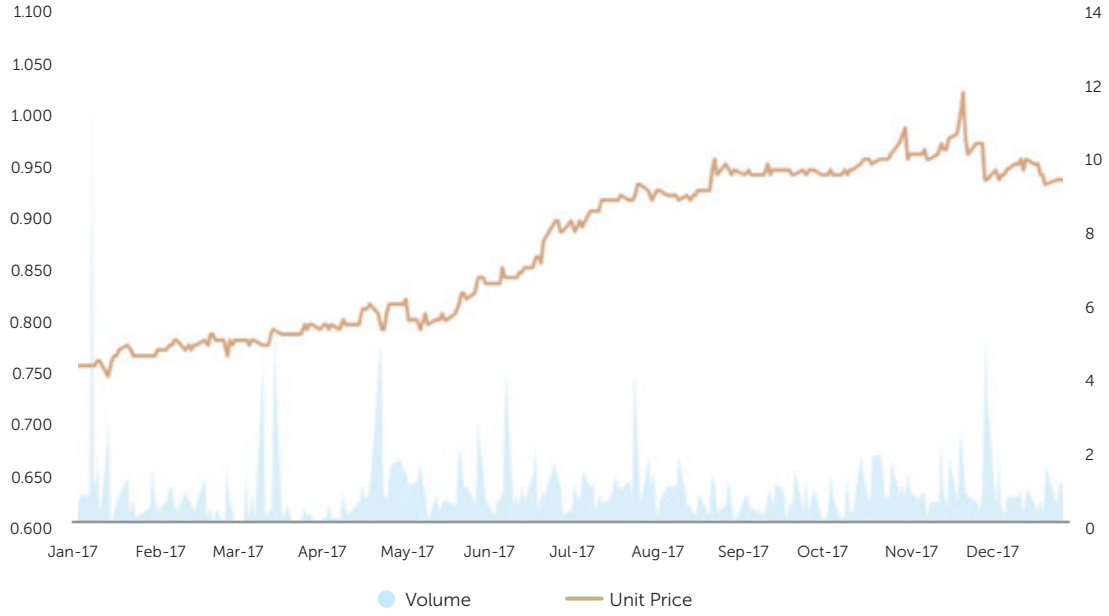
STAPLED SECURITY PRICE PERFORMANCE	2017	2016
Opening Price (S$)	0.760[1]	0.715[2]
Closing Price (S$)	0.935[3]	0.755[4]
Highest Traded Price (S$)	1.020	0.805
Lowest Traded Price (S$)	0.745	0.670
Total Traded Volume (units)	239,338,900	114,627,600
Daily Average Traded Volume (units)	1,040,604	454,871
Stapled Securities issued and issuable at the end of the year (units)	975,758,607	934,090,384
Market Capitalisation based on closing price at the end of the year (S$ million)	909.4[5]	703.2[6]

1. As at 3 January 2017, as there was no trade on 1 January 2017.
2. As at 4 January 2016, as there was no trade on 1 January 2016.
3. As at 29 December 2017, as there was no trade on 31 December 2017.
4. As at 30 December 2016, as there was no trade on 31 December 2016.
5. Based on stapled securities issued and closing price of S$0.935 as at 29 December 2017.
6. Based on stapled securities issued and closing price of S$0.755 as at 30 December 2016.

* There are no "change of control" covenants in any of the loan agreements.
** Excludes the RCF of S$50.0 million.

FINANCIAL REVIEW

TRADING PERFORMANCE (TRADED SHARE PRICE AND VOLUME CHART FOR THE FINANCIAL YEAR)



ATTRACTIVE YIELD SINCE LISTING

VIT has delivered a creditable performance since its listing in November 2013, with a total return on investment of 72.4%, assuming that distributions paid are reinvested. The DPS of 7.472 cents for FY2017 translates to an attractive yield of 8.0% per annum based on the closing price of S$0.935 as at 29 December 2017.

INVESTMENT PERIOD	RETURN ON INVESTMENT (%)	APPRECIATION IN PRICE OF STAPLED SECURITY (%)
From 1 January 2017 to 31 December 2017	34.5[1]	↑ 23.8[2]
From Listing on 4 November 2013 to 31 December 2017	72.4[3]	↑ 19.9[4]

1 Total return is calculated based on the closing price on the last day of the preceding year compared to the closing price on the last day of the current year. It assumes distributions paid during the year are reinvested based on the closing price on the relevant ex-distribution dates.
2 Calculated based on the closing price of S$0.935 as at 29 December 2017 and the closing price of S$0.755 as at 30 December 2016.
3 Total return is calculated based on the IPO price compared to the closing price on the last day of the current year. It assumes distributions paid during the period are reinvested based on the closing price on the relevant ex-distribution dates.
4 Calculated based on the closing price of S$0.935 as at 29 December 2017 and the IPO price of S$0.780.

INVESTOR RELATIONS

VIT is committed to providing transparent, timely, accurate and effective communication to stakeholders. To uphold these standards, VIT makes regular disclosures to SGX that are also made available on VIT's website. VIT also responds to investor queries via a dedicated email address and phone line.

ACTIVE STAKEHOLDER ENGAGEMENT

VIT ended FY2017 on a high note with its inclusion in the MSCI Singapore Small Cap Index. This provided further awareness for VIT among Institutional Investors, resulting in a significant number of new institutional names being introduced to the shareholding register. This achievement was the outcome of regular and effective communication, leading to greater investor confidence and appreciation of VIT's merits.

In the course of the year, VIT participated in various institutional and retail investor events in the form of NDRs, 1-1 meetings, seminars, results briefings and teleconferences both locally and in the Asia Pacific region. The management team has also been invited to give presentations and to be on panel discussions. The REITS Symposium 2017, BOS Investor Forum, REITs Pinnacle Awards, RHB Financial Insights Seminar and SGX Corporate Connect Retail Seminar are some events where the management team has publicly addressed the investment community.

VIT held its inaugural Investor Day in August 2017 in conjunction with VBP's Official Opening Ceremony. The event was open to 100 retail investors, giving them an opportunity to interact with management and to take a tour around the rejuvenated business park. VIT also launched the VBP microsite http://www.vivabusinesspark.com/. The microsite provided information on tenant offerings at the property and also quick links for investing in VIT and leasing opportunities.

As testament to the effectiveness of VIT's comprehensive engagement with the investment community, VIT accomplished a new milestone by receiving its first award in August and closed off the year with 3 awards under her belt. The three awards garnered in 2017 are (1) Platinum Award (Industrial REITs Category) at the Asia Pacific Best of the Breeds REITs Awards 2017; (2) ARCA Outstanding Leadership Excellence (Industrial REIT) Award at the BEI Asia Awards 2017; and (3) Most Significant Return REIT in Asia Award at the Fortune Times REITs Pinnacle Awards 2017.

RESEARCH COVERAGE

VIT extended its rated research coverage to 5 equity research houses from 2 last year. The new additions are Maybank Kim Eng Securities, Soochow CSSD Capital Markets (previously known as Religare Capital Markets) and KGI Securities.

The full list of equity research houses covering VIT are:

1.	OCBC Investment Research
2.	RHB Securities
3.	Maybank Kim Eng Securities
4.	Soochow CSSD Capital Markets (previously known as Religare Capital Markets)
5.	KGI Securities



SGX Corporate Connect, 14 January 2017



FY2016 Annual General Meeting, 27 April 2017

INVESTOR RELATIONS

FY2017 INVESTOR RELATIONS CALENDAR

1Q 2017	2Q 2017	3Q 2017	4Q 2017
Citi-SGX Corporate Day in Kuala Lumpur	Announced 1Q 2017 results	Announced 2Q2017 & 1H2017 Results	Announced 3Q 2017 & 9M 2017 results
SGX Corporate Connect Retail Seminar	Annual General Meeting (AGM)	4th Annual REITs Asia Pacific 2017 Summit & Awards	RHB Top Retail Investors Site Visit Tour
CIMB ASEAN Corporate Day in Bangkok	BOS Investor Forum	Maybank Kim Eng 2Q2017 Results Investor Lunch Presentation in Kuala Lumpur	BEI Asia Awards Ceremony
Media & Analysts' Results Briefing for 4Q2016 and FY 2016 Results	Maybank Kim Eng Remisier 1Q2017 Results Lunch Presentation	CIMB NDR in Kuala Lumpur	Credit Suisse – SGX Real Estate Corporate Day
Religare NDR in Singapore and Hong Kong	Macquarie Investor Luncheon	VIT Investor Day and VBP Official Opening Ceremony	SCB Debt NDR
Lim & Tan Remisier Lunch Presentation	REITs Symposium	Maybank-SGX NDR in Bangkok	E50 Awards
Lim & Tan Retail Investors Site Visit Tour	RHB Financial Insights Seminar – RHB 25 Jewels 2017: Top Singapore Small Cap Companies		Fortune Times REITS Pinnacle Awards
RHB-Okasan Securities REITs Conference in Tokyo	CIMB Singapore Business Park Tour		
RHB Remisier Lunch Presentation			
Maybank Invest ASEAN Conference			



BOS Investor Forum, 17 May 2017



REITs Symposium 2017, 27 May 2017



BEI Asia Awards, 26 October 2017



BEI Asia Awards, 26 October 2017

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The REIT Manager strives to uphold high corporate governance standard while delivering resilient performance. We recognise that it is pivotal of a robust business to integrate social and environmental considertions in a sustainable manner. Following the completion of chiller system upgrading works, we also replaced the aged air-conditioning central chillers and cooling towers, and installation of LED light fittings at VBP to further reducing VIT's environmental footprint.

ENHANCING COMMUNITY COHESIVENESS

In 2017, we continued to support Kembangan Chai Chee Citizens' Consultative Committee by pledging an outright donation for low-income families and the elderly residents in the Kembangan-Chai Chee community. A group of 30 elderly residents were invited to attend VBP Official Opening, witnessing one of the milestones of VIT.

Our efforts in community outreach programmes include participating in events organized by Alzheimer's Disease Association of Singapore (ADA), BizLink Centre Singapore, Movement for the Intellectually Disabled of Singapore (MINDS), Singapore Heart Foundation, Children's Cancer Foundations, and wellness programmes with Health Promotion Board (HPB) and Red Cross Singapore for our tenants and visitors. In addition, we also pledged our support in environmental awareness programmes through REcycling Nation's Electronic Waste (RENEW) by Starhub and Food Rescue Project by Food Bank.

We will share more details of our involvements in the Sustainability Report that will be available in electronic form on our website.



Cheque presentation at VBP Official Opening Ceremony



Blood Donation Drive by Red Cross



Fitness Workout by HPB



Charity Massage by MINDS

CORPORATE GOVERNANCE

INTRODUCTION

Viva Industrial Trust ("VIT") is a stapled group comprising Viva Industrial Real Estate Investment Trust ("VI-REIT") and Viva Industrial Business Trust ("VI-BT"). VI-REIT and VI-BT are managed by Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager") and Viva Asset Management Pte. Ltd. (the "BT Trustee-Manager"), respectively.

VI-REIT is a real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 entered into between the REIT Manager and Perpetual (Asia) Limited (formerly known as The Trust Company (Asia) Limited) (in its capacity as trustee of VI-REIT) (the "REIT Trustee"). VI-BT is a business trust constituted in the Republic of Singapore pursuant to a trust deed dated 14 October 2013, entered into by the BT Trustee-Manager. The REIT Trustee, the REIT Manager and the BT Trustee-Manager (collectively, the "Managers") executed a stapling deed dated 14 October 2013 to create the stapled group.

VI-BT has been inactive since VIT was listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST"). Similarly, the BT Trustee-Manager has been inactive.

The REIT Manager has been issued a Capital Markets Services Licence by the Monetary Authority of Singapore ("MAS") pursuant to the Securities and Futures Act, Chapter 289 of Singapore ("SFA") on 25 October 2013.

VIT is required to comply with the following relevant legislation and guidelines:

(a) The SFA and its subsidiary legislations;

(b) MAS Notices and Guidelines issued pursuant to the SFA;

(c) The Code on Collective Investment Schemes (including the Property Funds Appendix) (the "CIS Code");

(d) The Listing Manual of SGX-ST (the "Listing Manual");

(e) The Business Trusts Act, Chapter 31A of Singapore (the "BTA") and the Business Trusts Regulations 2005 (the "BTR"); and

(f) The Code of Corporate Governance 2012 (the "CG Code").

For the purpose of addressing and managing any potential conflict of interests that may arise between VI-REIT and VI-BT, the REIT Manager Board and the BT Trustee-Manager Board comprise the same directors except for a Non-Independent Non-Executive Director, Mr Tong Jinquan, who sits on the REIT Manager Board but not on the BT Trustee-Manager Board. As at the date of this report, VI-BT is inactive and the BT Trustee-Manager Board comprises a majority who are Independent Directors as required under the BTR. In the event that VI-BT becomes active, the composition of the REIT Manager Board and the BT Trustee-Manager Board will be realigned to be the same.

Due to the different legislative and regulatory requirements in relation to a REIT as compared with a business trust, the corporate governance procedures and disclosure requirements in relation to the REIT Manager are different from those in relation to the BT Trustee-Manager.

The Managers are committed to establishing and maintaining high standards of corporate governance and believe that sound corporate governance policies and practices are essential to protect the assets of VIT and the interests of its stapled securityholders.

This report sets out VIT's corporate governance framework and practices with specific references to the guidelines set out in the CG Code in relation to the REIT Manager only as the BT Trustee-Manager is inactive (unless otherwise stated). Any deviations from the CG Code are explained.

CORPORATE GOVERNANCE

BOARD MATTERS
Principle 1: The Board's conduct of affairs

The board of directors of the REIT Manager (the "REIT Manager Board" or "Board") is responsible for the overall corporate governance of the REIT Manager including establishing goals for management and monitoring the achievement of those goals. The REIT Manager is also responsible for the strategic business direction and risk management of VI-REIT. All the REIT Manager Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of performance of directors.

The key roles of the REIT Manager Board are to:

- guide the corporate strategies and directions of the REIT Manager;
- ensure that senior management discharges leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- oversee the proper conduct of the REIT Manager;
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced;
- identify the key stakeholder groups and recognise that their perceptions affect the REIT Manager's reputation;
- set the values and standards of the REIT Manager (including ethical standards), and ensure that obligations to stapled securityholders and other stakeholders are understood and met; and
- consider sustainability issues such as environmental, social and governance factors, as part of the strategic formulation of the REIT Manager.

Each member of the REIT Manager Board has a fiduciary duty to discharge his duties and responsibilities in the best interests of the REIT Manager and the stapled securityholders, and to take into account the interests of key stakeholder groups in decision making.

In the discharge of its function, the REIT Manager Board is supported by the Audit and Risk Committee, Investment Committee and Nominating and Remuneration Committee (collectively, the "Committees") of the REIT Manager, which provide independent oversight of management and serve to ensure that there are appropriate checks and balances. The Committees function under clear written terms of reference.

The REIT Manager Board meets every quarter to discuss the financial and operational performance of VIT, including any significant acquisitions and disposals and business outlook. The REIT Manager Board also meets as and when circumstances warrant. The REIT Manager's Constitution allow for the meetings of its Board to be held via telephone conferencing.

CORPORATE GOVERNANCE

The number of meetings of the REIT Manager Board and the Committees held for the financial year ended 31 December 2017 ("FY2017"), as well as the attendance of the directors and members at these meetings is disclosed below:

	Board	Audit and Risk Committee	Nominating and Remuneration Committee	Investment Committee
No of Meetings held	**5**	**4**	**3**	**1**
Name of Directors	**No. of Meetings attended for FY2017**			
Dr Leong Horn Kee	5/5	n/a	3/3	1/1
Dr Choong Chow Siong	5/5	4/4	3/3	n/a
Teo Cheng Hiang Richard	5/5	4/4	n/a	1/1
Ronald Lim Cheng Aun	5/5	4/4	3/3	n/a[(1)]
Tong Jinquan	n/a[(2)]	n/a	n/a	n/a[(2)]
Tan Hai Peng, Micheal	4/5	n/a	3/3	1/1
Tan Kim Seng	5/5	n/a	3/3	1/1
Wilson Ang Poh Seong	5/5	n/a	n/a	1/1

(1) Mr Ronald Lim Cheng Aun was appointed as a member of the Investment Committee on 13 November 2017. The Investment Committee meeting was held before his appointment.
(2) Mr Tong Jinquan was appointed as a Non-Independent Non-Executive Director and a member of the Investment Committee on 13 November 2017. The Board meetings and the Investment Committee meeting were held before his appointment.
n/a: Not applicable as the Director is not a member of the Committee.

The REIT Manager has put in place a set of internal controls wherein key matters are specifically reserved for approval by the REIT Manager Board and these key matters include approved limits for capital expenditure, investments, divestments, bank borrowings, income distribution and other returns to stapled securityholders. To facilitate operational efficiency, approval of operational transactions below certain level are further delegated to management.

The REIT Manager Board has delegated authority to the Investment Committee ("IC") to assist it in fulfilling its investment approval responsibilities. The IC is chaired by Mr Teo Cheng Hiang Richard and comprises a total of seven members. The other members of the IC are Dr Leong Horn Kee, Mr Wilson Ang Poh Seong, Mr Tan Hai Peng Micheal, Mr Tan Kim Seng, Mr Tong Jinquan and Mr Ronald Lim Cheng Aun. Mr Tong Jinquan and Mr Ronald Lim Cheng Aun were appointed as members of the IC on 13 November 2017. The IC held one meeting in FY2017.

The IC is charged with the following duties and responsibilities:–

(i) reviewing and recommending to the REIT Manager Board VI-REIT's proposed investment strategy and the investment criteria and guidelines annually;

(ii) evaluating and recommending any proposed investments, asset enhancements and divestments to be made or entered into by VI-REIT; and

(iii) reviewing from time to time or when necessary, VI-REIT's investment, divestment and asset enhancement plans.

To keep pace with regulatory changes, where these changes have an important bearing on the disclosure obligations of the REIT Manager or its directors, the directors will be briefed either during Board meetings of the REIT Manager or at specially convened sessions involving the relevant professionals. The management will also provide the REIT Manager Board with complete and adequate information in a timely manner through regular updates, and at least quarterly during the quarterly Board meetings on financial results, market trends and business developments.

CORPORATE GOVERNANCE

The REIT Manager will issue a formal letter of appointment setting out the directors' duties and responsibilities to any new director. On 13 November 2017, the REIT Manager appointed Mr Tong Jinquan as a Non-Independent Non-Executive Director. Mr Tong is a substantial stapled securityholder of VIT. He is a veteran in the property and REIT business. He is also a non-executive director of the manager of another REIT listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is familiar with governance practices.

When there are any changes in the existing rules of the Listing Manual, Companies Act or the CIS Code, the directors will be updated by the management and Company Secretary at the quarterly Board meetings. The directors, who are members of the Audit and Risk Committee, will also be updated on any changes in financial reporting standards by the external auditor at the quarterly Audit and Risk Committee meetings.

All directors are provided with continuing training, at the REIT Manager's expense, in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and the CIS Code, and industry-related matters conducted by external parties such as Singapore Institute of Directors and SGX-ST. Each Director has attended at least one relevant training course or seminar in FY2017.

Employees are also guided by the REIT Manager's core values and are expected to comply strictly with the Employee Code of Conduct stated in the Employee's Handbook. Any violation of these rules and standards may be subject to disciplinary action, including termination of employment for serious offences such as disruptive behaviour, gambling and theft.

BOARD COMPOSITION AND GUIDANCE
Principle 2: Strong and independent element on Board

The REIT Manager Board comprises eight members. All the members of the Board except for the Chief Executive Officer ("CEO"), are non-executive directors ("NEDs"). Of the seven NEDs, four of them, being half of the Board, are independent directors, thus providing for a strong and independent element on the Board.

The Independent Directors of the REIT Manager Board are Dr Leong Horn Kee, Mr Teo Cheng Hiang Richard, Dr Choong Chow Siong and Mr Ronald Lim Cheng Aun. The REIT Manager Board considers Mr Tan Kim Seng, Mr Tan Hai Peng Micheal and Mr Tong Jinquan to be non-independent given that they are also directors of Viva Investment Management Pte Ltd, the sole shareholder of the REIT Manager.

The composition of the REIT Manager Board is determined using the following principles:

- the Chairman of the REIT Manager Board should be a non-executive director; and
- the REIT Manager Board should comprise directors with a broad range of commercial experience including expertise in fund management, investment, audit, accounting and the property industry.

In order for the BT Trustee-Manager Board to comply with the requirement under Regulation 12 of the BTR, a majority of the directors of the BT Trustee-Manager Board is required to comprise directors who are independent from management and business relationships with the BT Trustee-Manager. Accordingly, the BT Trustee-Manager Board is comprised of majority independent directors.

Four of the eight directors of the REIT Manager Board are independent of the management. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the REIT Manager Board. It would also enable the REIT Manager Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process.

CORPORATE GOVERNANCE

None of the independent directors has served on the REIT Manager Board for more than nine years from the date of their first appointment.

The Nominating and Remuneration Committee reviews annually the size, balance and diversity of skills, experience, age, gender and knowledge required by the REIT Manager Board and Committees. The REIT Manager Board, with the concurrence of the Nominating and Remuneration Committee, having reviewed and considered the size of the REIT Manager Board and the Committees, is of the view that the current size is appropriate for the nature and scope of its operations and facilitates effective decision-making for the existing needs and demands of the REIT Manager's operations.

The REIT Manager Board, with the concurrence of the Nominating and Remuneration Committee, is also of the view that the composition of the REIT Manager Board and the Committees, as a group, provides an appropriate balance and diversity of skills, experience and knowledge of the REIT Manager's operations. No individual or group dominates the REIT Manager Board's or Committees' decision-making process.

The NEDs always constructively challenge and help develop proposals on strategy, review the management's performance in meeting agreed goals and objectives, and monitor the reporting of management's performance. To provide a more effective check on the management, the NEDs of the REIT Manager Board would meet amongst themselves on an informal basis at least once a year without the presence of the management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
Principle 3: Clear division of responsibilities between Chairman of the Board and Chief Executive Officer of the REIT Manager

The position of Chairman of the REIT Manager Board and CEO are held by two different individuals in order to maintain effective checks and balances. The Chairman of the REIT Manager Board is Dr Leong Horn Kee, an Independent Director while the CEO is Mr Wilson Ang Poh Seong.

There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Chairman, Dr Leong Horn Kee, is responsible for the overall management of the REIT Manager Board, as well as ensuring that the members of the Board and the management work together with integrity and competency, and he engages the Board members in constructive debate on strategy, business operations, enterprise risk management and other plans. His other roles include the following:

- leading the REIT Manager Board to ensure its effectiveness on all aspects of its roles;
- setting the agenda items for Board meetings and ensure adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board meetings;
- ensuring that the directors receive accurate, adequate, timely and clear information;
- ensuring effective communication with stapled securityholders and key stakeholder groups;
- facilitating the effective contribution of NEDs at Board meetings; and
- promoting high standards of corporate governance.

The CEO, Mr Wilson Ang Poh Seong, has full executive responsibilities over the business directions and operational decisions in the day-to-day management of VI-REIT and the REIT Manager.

CORPORATE GOVERNANCE

The REIT Manager Board does not have a lead Independent Non-Executive Director given that the Chairman and CEO are not the same person and are not immediate family members, and that the Chairman is an Independent Non-Executive Director.

BOARD MEMBERSHIP
Principle 4: Formal and transparent process for appointment and re-appointment of Directors to the Board

The REIT Manager Board has, on 27 October 2015, incorporated the Nominating Committee functions into the terms of reference of the Remuneration Committee and renamed the Remuneration Committee as the Nominating and Remuneration Committee ("NRC"). The NRC is regulated by a set of written terms of reference which are disclosed on pages 64 to 65 of this Annual Report. The composition of the NRC can be found on page 64 of this Annual Report.

The NRC has put in place a process for the selection and appointment of directors, including a set of guidelines governing this process. The process will start with an assessment of the need for a new appointment, drawing up the desired profile, searching for the desired candidate through various channels, shortlisting from the candidate pool, and finally the nomination to the Board for approval. The final appointment is subject to the MAS giving its approval.

In its search and selection process for new directors, the NRC considers the attributes of the existing Board members, reviews the composition of the Board including the diversity of skills, knowledge and experience on the Board. Other considerations include, but are not limited to background, gender, age, and ethnicity. The short-listed candidates would be required to furnish their curricula vitae stating in detail their qualifications, working experience, employment history, in addition to completing certain prescribed forms to enable the NRC to assess the candidates' independence status and compliance with the REIT Manager's established internal guidelines.

The NRC will then meet and interview the candidates to assess their suitability taking into account factors such as integrity, independent mindedness, core competencies, directorships in other listed companies, principal commitments, track records of making good decisions, experience in high-performing corporations or property funds and financial knowledge to ensure that the candidates are aware of the expectations and the level of commitment required. The NRC will also carry out due diligence checks on the shortlisted candidates through its own contacts and network.

The REIT Manager Board would generally avoid approving the appointment of alternate directors, unless in exceptional cases of medical emergency. No alternate director has ever been appointed to the REIT Manager Board since VIT became listed on the SGX-ST.

Directors of the REIT Manager are not subject to periodic retirement by rotation. The REIT Manager Board, however, recognises that Board renewal is a continuous process and one that is essential for ensuring that the REIT Manager Board remains relevant in VI-REIT's business environment. Nominations, which may be made by any of the REIT Manager's shareholders, are openly discussed and objectively evaluated by the NRC before any appointment and/or re-appointment is made. Appointment of directors is also subject to MAS approval.

The REIT Manager Board had concurred with the NRC's recommendation to rotate the Board Committees' Chairman subject to suitability and availability.

The NRC has determined that the maximum number of listed company board representations which any director of the REIT Manager may hold is seven. All directors have complied with this guideline.

To determine the independence of the directors, a form of Declaration of Independence or Non-Independence was sent to each of the directors immediately after the end of FY2017. Each director has made his declaration by signing on the form.

These duly signed forms were tabled at the NRC meeting held in January 2018 for the NRC's review. At the Board meeting, the REIT Manager Board has determined, taking into account the views of the NRC, that each of the Independent Directors is independent based on his self-declaration and that there were no circumstances which would likely affect or appear to affect their judgement.

Key information regarding the directors such as academic and professional qualifications, present directorships in other listed companies and other principal commitments are disclosed on page 21 to 25 of this Annual Report.

BOARD PERFORMANCE

Principle 5: Formal annual assessment of the effectiveness of the Board as a whole and its committees and contribution by each director to the effectiveness of the REIT Manager Board

The REIT Manager Board has in place a formal system of evaluating Board performance and assessing the effectiveness of the Board, the Committees and the individual directors through the use of performance evaluation forms.

The evaluation of the Board's performance as a whole deals with matters on Board composition, information, process, accountability, risk and internal controls, performance benchmark and standards of conduct. The Committees' evaluation deals with the efficiency and effectiveness of each Committee in assisting the Board. The criteria for the evaluation of individual directors include, amongst others, the directors' attendance and participation at meetings of the Board and its Committees, understanding of business plans and strategies, and ability to articulate thoughts and opinions in a clear and concise manner.

Each director is required to complete the evaluation forms, and return them to the Company Secretary on a private and confidential basis. The Company Secretary compiles the summary of the results of the evaluation and tables the summary at the Board meeting for the Board's review.

The last performance evaluation was carried out in January 2018 in respect of FY2017. Based on the results compiled from the evaluation forms, and the Board's review at the Board meeting held in January 2018, the Board was satisfied that the Board was effective as a whole and that each and every director had demonstrated commitment and had contributed to the effective functioning of the Board and the Committees.

No external facilitator was appointed to assist in the performance evaluation for FY2017. The NRC will seek advice from an external consultant where required although currently the NRC appraises directors internally.

ACCESS TO INFORMATION

Principle 6: Complete, adequate and timely information and access to management

Management provides the REIT Manager Board with complete, adequate and detailed information on the business and operations of VI-REIT on a regular and quarterly basis, at the meetings of the REIT Manager Board and its Committees.

The REIT Manager Board is provided with an agenda for each meeting and Board papers and related materials are circulated well in advance to enable the directors to review the information and to obtain such details and explanations where necessary. At quarterly meetings, directors are updated on developments and changes in the operating environment, including changes in accounting standards, as well as the applicable statutes and regulations affecting VIT and/or the REIT Manager or changes that may have significant bearing on VIT and/or the REIT Manager.

All directors have unrestricted access to senior management to enable them to carry out their duties.

CORPORATE GOVERNANCE

In addition, directors have separate and independent access to the advice of the Company Secretary who is responsible to the REIT Manager Board for ensuring that established procedures and relevant statutes and regulations are complied with. The appointment and removal of the Company Secretary is subject to the approval of the REIT Manager Board.

The directors may seek and obtain independent legal and other professional advice on matters relating to VIT at the REIT Manager's expense to enable them to discharge their duties.

REMUNERATION MATTERS
Principle 7: Procedures for developing remuneration policies
Principle 8: Level and mix of remuneration
Principle 9: Disclosure of remuneration

VI-REIT is externally managed by the REIT Manager and accordingly has no personnel of its own. Remuneration of all directors and employees of the REIT Manager are paid by the REIT Manager and not by VI-REIT.

The NRC of the REIT Manager comprises the following five members, all of whom are NEDs:

Mr Ronald Lim Cheng Aun (Chairman)
Mr Tan Kim Seng
Mr Tan Hai Peng Micheal
Dr Leong Horn Kee
Dr Choong Chow Siong

The NRC is regulated by a set of written terms of reference. The responsibilities of the NRC include the following:

(i) regularly and strategically review the structure, size and composition (including the skills, age, qualifications, experience and diversity) of the REIT Manager Board and its Committees;

(ii) identify and nominate candidates to fill Board vacancies as they occur;

(iii) review the independence of NEDs and that of alternate director, if any, annually, or when necessary, along with issues of conflict of interest;

(iv) develop the performance evaluation framework for the Board, the Committees and individual directors;

(v) identify and develop training programmes for the Board and assist with similar programmes for the Committees;

(vi) provide the Board with its succession plans for the Board Chairman, directors, CEO and senior management of the REIT Manager;

(vii) review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each director, as well as for each key management personnel. The recommendations shall cover the following:

  (a) all aspects of remuneration, including but not limited to salaries, allowances, bonuses, benefits-in-kind;

  (b) details such as a breakdown (in percentage terms) of remuneration earned through base/fixed salary, variable or performance-related bonuses, benefits-in-kind and other incentives; and

  (c) the total potential cost to the REIT Manager;

(viii) review the REIT Manager's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous; and

(ix) consider whether directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).

The NRC held its meeting in January 2018 to review and determine the remuneration packages of the CEO and key management personnel, to ensure that they are adequately but not excessively remunerated.

The NRC may seek expert advice inside and/or outside the REIT Manager on remuneration of all directors, as and when required.

POLICY IN RESPECT OF DIRECTORS' REMUNERATION

Directors' fees are established and reviewed annually based on each director's level of responsibilities on the Board and the Committees, and are benchmarked against market practices. In this connection, the NRC periodically reviews remuneration consultants' guide books and/or articles on remuneration matters for directors. The Chairman of the Board and of each Committee is paid a higher fee compared with members of the Board and of such Committee in view of the greater responsibility carried by that office.

The CEO, as an Executive Director, does not receive director's fees. He is the lead member of management. His remuneration comprises salary, allowances and bonuses. The CEO is not present during the discussions relating to his own remuneration and the terms and conditions of his service, and the review of his performance. However, the Board's views of the CEO's performance are shared with him.

REMUNERATION POLICY IN RESPECT OF KEY MANAGEMENT PERSONNEL

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration are in line with market practices, aligned with the interests of our stapled securityholders and promote the long-term success of VIT.

In establishing the remuneration structure of the key management personnel, the NRC ensures that the level and mix of remuneration is competitively benchmarked against the relevant industry market rates and tied to the performance of VIT and the individual employee. The total remuneration mix comprises fixed and variable components. The fixed component comprises the annual basic salary, annual wage supplement and fixed allowances. The variable component comprises the variable bonus payable in cash and Stapled Securities of VIT (if applicable), which is tied to the performance of VIT and the individual employee. For the avoidance of doubt, no new Stapled Securities will be issued by VIT for the payment of variable bonus to the key management personnel as such Stapled Securities will be paid by the REIT Manager from the Stapled Securities that it holds. In determining the actual quantum of the annual adjustment to basic salary and the variable bonus, the NRC had taken into consideration, among other factors, the extent to which the key performance indicators of VIT and the individual employee have been met.

The directors, the CEO and the key management personnel (who are not directors or the CEO) are remunerated on an earned basis and there are no termination, retirement or post-employment benefits that are granted over and above what have been disclosed.

None of the NEDs has a service contract with the REIT Manager. They receive a base fee and an additional fee for serving on the Committees. The CEO has a service contract with the REIT Manager and does not receive any directors' fees.

CORPORATE GOVERNANCE

The REIT Manager's report on each individual NED's and the key management personnel's remuneration paid and payable in respect of FY2017 is disclosed below.

Remuneration	Salary S$	Bonus S$	Fees S$	Other Benefits S$	Share Plan S$	Total S$
Non-Executive Directors						
Dr Leong Horn Kee	–	–	90,000	–	–	90,000
Dr Choong Chow Siong	–	–	75,000	–	–	75,000
Mr Teo Cheng Hiang Richard	–	–	75,000	–	–	75,000
Mr Ronald Lim Cheng Aun	–	–	75,000	–	–	75,000
Mr Tong Jinquan[1]	–	–	8,667	–	–	8,667
Mr Tan Hai Peng Micheal	–	–	65,000	–	–	65,000
Mr Tan Kim Seng	–	–	65,000	–	–	65,000

(1) Mr Tong Jinquan was appointed as a Non-Independent Non-Executive Director on 13 November 2017 and the amount of director's fee payable to him has been pro-rated accordingly.

The CEO and the top five key management personnel (who are not directors) are entitled to monthly basic salary and allowances, annual wage supplement and variable bonus, and certain staff benefits.

Given the confidentiality and sensitivity of remuneration matters, the Board believes that disclosing the remuneration of the CEO and the top five key management personnel (who are not directors) on a named basis (whether in exact quantum or in bands of S$250,000) is not in the best interests of VIT and its stapled securityholders. In view of the highly competitive human resource environment, it is important for the REIT Manager to retain talent for the long-term interests of VIT and its stapled securityholders, and ensure that stability and continuity of business operations with a competent and experienced management team are in place.

In view of the current competitive conditions in the real estate and fund management industries, such disclosure of the remuneration of key management personnel may potentially result in the loss of key management personnel. In addition, the non-disclosure of the remuneration of key management personnel does not compromise the ability of the REIT Manager to meet the code on good corporate governance as the NRC, comprising Independent and Non-Independent NEDs, reviews the remuneration package of such key management personnel who are remunerated based on their roles and responsibilities, as well as the performance of VIT and the individual employee to ensure that they are fairly remunerated. Therefore, the Board believes that the non-disclosure of the remuneration of the CEO and the top five key management personnel (who are not directors) will not be prejudicial to the interests of VIT and its stapled securityholders. Remuneration of the directors and key management personnel are not paid out of the trust property of VIT, but are directly paid by the REIT Manager from the fees it receives.

The REIT Manager does not have any employee who is an immediate family member of a director or CEO, and whose remuneration exceeds S$50,000 during FY2017.

There is no contractual provision in the service contracts of executive director and key management personnel to allow the REIT Manager to reclaim incentive components from its executive director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the REIT Manager.

The REIT Manager does not have any employee share award schemes at present. The NRC is of the view that the level and structure of remuneration of the key management personnel align with the long-term interests and risk management policies of the REIT Manager.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Principle 10: Board should present a balanced and understandable assessment of the REIT's performance, position and prospects

The REIT Manager Board is responsible for providing a balanced and understandable assessment of VI-REIT's performance, position and prospects including interim and other price sensitive public reports and reports to regulators.

The REIT Manager Board complies with the relevant rules of the Listing Manual with prompt announcements of VIT's quarterly and full-year unaudited financial results, press releases, presentation slides and other price sensitive information to stapled securityholders via SGXNET and VIT's website.

Management provides the REIT Manager Board with a continual flow of relevant information on VI-REIT on a timely basis such that the REIT Manager Board may effectively discharge its duties. The REIT Manager Board may require additional information from time to time to enable it to make a balanced and informed assessment of VI-REIT's performance, position and prospects.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: A sound system of risk management and internal controls to safeguard stapled securityholders' interests and the REIT's assets

The REIT Manager Board has established a framework for the management of VI-REIT and the REIT Manager, including a system of internal controls and a business risk management process.

The REIT Manager Board meets quarterly or more frequently if necessary to review the financial performance of VI-REIT against a previously approved budget. The REIT Manager Board also reviews the business risks of VI-REIT, examines liability management and will act upon any comments from both the internal and external auditors of VI-REIT. The REIT Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of VI-REIT. In assessing business risk, the REIT Manager Board will consider the economic environment and risks relevant to the industrial property sector. It reviews management reports and feasibility studies on individual projects prior to approving major transactions. The management meets regularly to review the operations of VI-REIT and the REIT Manager and discuss any disclosure issues.

The REIT Manager will also perform the following:

(i) the REIT Manager will make periodic announcements on the use of the proceeds raised from any equity fund raising exercise as and when such proceeds are being materially disbursed and provide a status report on the use of such proceeds in the annual report;

(ii) in relation to interest rate hedging transactions, (a) the REIT Manager will seek the approval of its Board on the policy for entering into any such transactions, (b) the REIT Manager will put in place adequate procedures which must be reviewed and approved by the REIT Manager Audit and Risk Committee, and (c) the REIT Manager Audit and Risk Committee will monitor the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy approved by the REIT Manager Board; and

(iii) the REIT Manager Audit and Risk Committee will review and provide their views on all hedging policies and instruments to be adopted by VI-REIT to the REIT Manager Board, and the trading of such hedging instruments will require the specific approval of the REIT Manager Board.

CORPORATE GOVERNANCE

Management has identified and reviewed its key risks to assess the adequacy and effectiveness of the REIT Manager's risk management and internal control systems, specifically on financial, operational, compliance and information technology risks. The REIT Manager Board, through the Audit and Risk Committee, will continuously identify, review and monitor the key risks, control measures and management actions as part of the risk management process.

The REIT Manager has also instituted/established the following:

(a) procedures to deal with conflicts of interest; and

(b) internal controls system to ensure that all Interested Person Transactions ("IPTs") will be undertaken on normal commercial terms and will not be prejudicial to the interests of VI-REIT and VI-REIT Unitholders.

The REIT Manager Board has received assurance from the CEO and the Chief Financial Officer of the REIT Manager that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of VI-REIT's operations and finances; and

(b) the internal controls and risk management systems addressing the financial, operational, compliance and information technology risks were adequate and effective.

Based on the internal controls and risk management systems established by Management, the assurance from the CEO and the Chief Financial Officer, works performed by the external auditor and internal auditor, the REIT Manager Board, with the concurrence of the REIT Manager Audit and Risk Committee, is of the view that the internal controls and risk management systems addressing financial, operational, compliance and information technology risks were adequate and effective as at 31 December 2017.

AUDIT AND RISK COMMITTEE
Principle 12: Establishment of Audit and Risk Committee with written terms of reference

The REIT Manager Audit and Risk Committee ("ARC") is appointed by the REIT Manager Board. The ARC comprises three Independent Directors and they are Dr Choong Chow Siong as Chairman and Mr Teo Cheng Hiang Richard and Mr Ronald Lim Cheng Aun as members. None of the members of the ARC is a former partner of the REIT Manager's or VIT's external auditor, Deloitte & Touche LLP ("Deloitte") or has any financial interest in Deloitte.

The REIT Manager Board has determined that Dr Choong Chow Siong, Mr Teo Cheng Hiang Richard and Mr Ronald Lim Cheng Aun have recent and relevant accounting and financial management knowledge to discharge their responsibilities as members of the ARC.

The role of the ARC is to monitor and evaluate the effectiveness of the REIT Manager's internal controls. The ARC will review the quality and reliability of information prepared for inclusion in financial reports, and will be responsible for the nomination of external auditor and reviewing the adequacy of external audits in respect of cost, scope and performance. Given the organisation size and operations of the REIT Manager, the ARC assumed the function of the Board risk committee to oversee the enterprise risk management framework and policies.

CORPORATE GOVERNANCE

The key responsibilities of the ARC include:

- monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to "Interested Person Transactions" and the provisions of the Property Funds Appendix relating to "Interested Party Transactions";
- monitoring the procedures in place to ensure compliance with applicable legislations, the Listing Manual and the Property Funds Appendix;
- reviewing the arrangements by which employees of the REIT Manager may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are put in place for the independent investigation of such matters and for appropriate follow-up action;
- examining the effectiveness of financial, operational, compliance and information technology risks management policies and systems at least annually;
- reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial actions are taken by the management;
- reviewing the adequacy of external audits in respect of cost, scope and performance;
- making recommendations to the REIT Manager Board on the appointment, re-appointment and removal of external auditor and approving the remuneration and terms of engagement of external auditor;
- reviewing, on an annual basis, the independence and objectivity of the external auditor and where the external auditors also provide a substantial volume of non-audit services to VI-REIT, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- reviewing internal audit reports annually to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;
- ensuring that the internal audit function is adequately resourced and effective and has appropriate standing within the REIT Manager;
- meeting with external and internal auditors, without the presence of the REIT Manager Executive Officers, at least on an annual basis;
- reviewing the financial statements and the internal audit reports;
- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of VI-REIT and any formal announcements relating to VI-REIT's financial performance;
- investigating any matters within the ARC's terms of reference, whenever it deems necessary;
- reporting to the REIT Manager Board on material matters, findings and recommendations; and
- deliberating on resolutions relating to conflicts of interest situations involving VI-REIT.

The ARC has access to the management and has the discretion to invite any director or management staff to attend its meetings. The ARC also has the authority to obtain independent professional advice if it deems necessary in the discharge of its responsibilities.

The ARC has reviewed the audit plans from both the internal and external auditors for FY2017 to ensure that the scope of the plans has covered sufficiently the audit of the internal controls of VI-REIT. The ARC has met with the external auditor without the presence of the Executive Director and management of the REIT Manager once in FY2017 and again in January 2018. The ARC has also met with the internal auditor without the presence of the Executive Director and management of the REIT Manager once in FY2017.

CORPORATE GOVERNANCE

ARC meetings are held quarterly to review the financial statements of VI-REIT before recommending to the REIT Manager Board for approval on the release of the financial results. In the process, the ARC also reviewed significant financial reporting issues and judgements to ensure that the appropriate disclosure and accounting policies are applied.

The following significant financial reporting matter was discussed with management and the external auditor and was reviewed by the ARC:

Significant financial reporting matter	How the ARC reviewed this matter and what conclusion was made
Fair valuation of investment properties	The fair values of investment properties are based on the valuations undertaken by independent registered valuers. The ARC considered the approach and methodology applied to the valuation methods and estimates of the valuers. The ARC reviewed the reasonableness of the direct comparison method, income capitalisation method and discounted cash flow method used in assessing the fair valuation of the investment properties and concluded that the investment properties were fairly stated as at 31 December 2017. The fair valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2017. Refer to page 96 of this Annual Report.

The ARC also monitors the procedures established to regulate IPTs, including reviewing any IPTs entered into from time to time and ensuring compliance with the relevant provisions of the Listing Manual and the Property Funds Appendix. If a member of the ARC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

The ARC has undertaken a review of all audit and non-audit services provided by Deloitte. The ARC was of the opinion that the provision of such services has not affected the independence of the external auditor. The breakdown of the audit and non-audit fees paid and payable to Deloitte is as follows:

Fees for audit and non-audit services paid and payable to Deloitte for FY2017

Breakdown of fees for audit and non-audit services	S$
Audit Services	158,000
Non-Audit Services	8,000
% of Audit Services	5%

The ARC has determined that Deloitte is independent. The ARC confirms that VIT has complied with SGX-ST Listing Rules 712 and 715 in relation to its auditing firm.

Whistle-blowing policy

The REIT Manager has put in place a whistle-blowing policy applicable to all staff of the REIT Manager. Any staff member who is aware of or suspects any irregularity, misconduct or any breach of the laws is encouraged to disclose the matter to the senior management, CEO or any member of the ARC.

CORPORATE GOVERNANCE

INTERNAL AUDIT
Principle 13: Internal audit function

The REIT Manager Board recognises the importance of maintaining a system of internal controls, procedures and processes for safeguarding the stapled securityholders' investments and VI-REIT's assets. The REIT Manager has outsourced the internal audit function to BDO LLP. BDO LLP conducts their internal audits based on the BDO Global Internal Audit Methodology which is consistent with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditor's primary reporting line is to the Chairman of the ARC and administratively to the CEO. The internal auditor has unfettered access to all the REIT Manager's documents, records, properties and personnel including access to the ARC. The ARC reviews and approves the annual internal audit plan, and ensures that the internal auditor has adequate resources to perform its functions. The ARC also reviews the results of the internal audits and management's actions in resolving any audit issues reported. The ARC is satisfied with the suitability of the internal auditor and is of the view that the internal auditor is adequately resourced and has effectively performed its function, and has appropriate standing within the REIT Manager.

STAPLED SECURITYHOLDERS' RIGHTS AND RESPONSIBILITIES
Principle 14: Stapled Securityholders' Rights
Principle 15: Communication with Stapled Securityholders
Principle 16: Conduct of Stapled Securityholders' Meetings

VIT is committed to timely and full disclosure of material information to its stapled securityholders and the investing community. VIT releases all material information by way of public releases or announcements through SGXNET and its corporate website at www.vivaitrust.com.

The REIT Manager also conducts results briefing for media and analysts in conjunction with the release of VIT's annual financial results. These briefing materials are also made available on SGXNET and VIT's corporate website. In addition, the REIT Manager also takes an active role in investor relations such as meeting fund managers and participating in non-deal road shows to meet potential investors and update existing investors on VIT's development.

Stapled securityholders were invited by the REIT Manager to attend the official opening ceremony of Viva Business Park and VIT Investor Day on 16 August 2017. At the VIT Investor Day, the REIT Manager presented an overview of VIT's 2Q2017 financial results and provided an update on VIT's growth prospects followed by a Q&A session between the investors and the management.

VIT's corporate website also serves as a resource centre for investors and a channel for regular dialogue between investors and management.

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.

VI-BT remains inactive as at the date of this report. 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.

CORPORATE GOVERNANCE

Conduct of Stapled Securityholders' meetings

All stapled securityholders will receive the Annual Report and notices of general meetings. Stapled securityholders are encouraged to attend and participate by voting at the general meetings. If the stapled securityholder is unable to attend the general meetings, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meetings through proxy forms sent in advance. A stapled securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her behalf at the meeting.

All the directors of the REIT Manager and external auditor of VIT will be present at VIT's Annual General Meeting ("AGM") to address the queries raised by stapled securityholders.

All resolutions put to every general meeting of VIT are voted separately unless the resolutions are interdependent and linked so as to form one significant proposal.

For greater transparency and fairness in the voting process, voting at general meetings will be conducted by poll. Stapled securityholders or proxies are briefed by the appointed polling agent on the poll voting procedures at the AGM. The appointed scrutineer will ensure that the poll process is properly carried out and the counting of the votes is verified by the scrutineer. The voting results of all the votes cast for or against each resolution are made available at the meeting and will be announced via SGXNET after the general meetings. Minutes of the general meetings will be made available to the stapled securityholders upon request.

DEALINGS IN STAPLED SECURITIES

Each director and the CEO of the REIT Manager is to give notice to the REIT Manager of his acquisition of stapled securities or (in the event that unstapling has taken place) VI-REIT Units or of changes in the number of stapled securities or, as the case may be, VI-REIT Units which he holds or in which he has an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of stapled securities or, as the case may be, VI-REIT Units which he holds or in which he has an interest.

All dealings in stapled securities or, as the case may be, VI-REIT Units by the directors of the REIT Manager will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com.

The REIT Manager and its directors and employees are prohibited from dealing in the stapled securities:

- in the period commencing one month before the public announcement of the annual results and (where applicable) property valuations, and two weeks before the public announcement of the quarterly results of VIT or (in the event that unstapling has taken place) VI-REIT, and ending on the date of announcement of the relevant results or (as the case may be) property valuations; and
- at any time while in possession of price sensitive information.

The directors and employees of the REIT Manager are also prohibited from communicating price sensitive information to any person and dealing in stapled securities on short term considerations.

Pursuant to Section 137ZC of the SFA, the REIT Manager will be required to, inter alia, announce to the SGX-ST the particulars of any acquisition or disposal of interest in VI-REIT Units by the REIT Manager as soon as practicable, and in any case no later than the end of the business day following the day on which the REIT Manager became aware of the acquisition or disposal. In addition, all dealings in VI-REIT Units by the CEO will also need to be announced by the REIT Manager via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com and in such form and manner as the MAS may prescribe.

CORPORATE GOVERNANCE

CONFLICTS OF INTERESTS

The REIT Manager has instituted the following procedures to deal with conflicts of interest issues:

- The REIT Manager will not manage any other REIT which invests in the same type of properties as VI-REIT;
- All executive officers will be employed by the REIT Manager;
- All resolutions in writing of the REIT Manager Board in relation to matters concerning VI-REIT must be approved by a majority of the directors, including at least one director who is independent from management and business relationships with the REIT Manager;
- At least half of the REIT Manager Board shall comprise independent directors;
- In respect of matters in which a REIT Manager director or his Associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the REIT Manager directors and must exclude such interested director;
- In respect of matters in which a Sponsor and/or its subsidiaries have an interest, direct or indirect, for example, in matters relating to potential acquisitions of properties or property-related investments by VI-REIT in competition with such Sponsor and/or its subsidiaries, any nominees appointed by such Sponsor and/or its subsidiaries to the REIT Manager Board to represent its interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the REIT Manager directors who are independent from management and business relationships with the REIT Manager and must exclude nominee directors of such Sponsor;
- Save as to resolutions relating to the removal of the REIT Manager, the REIT Manager and its Associates are prohibited from voting or being counted as part of a quorum for any meeting of the VI-REIT Unitholders convened to approve any matter in which the REIT Manager and/or any of its Associates has an interest, and for so long as the REIT Manager is the manager of VI-REIT, the controlling shareholders (as defined in the Listing Manual) of the REIT Manager and of any of its Associates are prohibited from voting or being counted as part of a quorum for any meeting of the VI-REIT Unitholders convened to consider a matter in respect of which the relevant controlling shareholder of the REIT Manager and/or of any of its Associates have an interest; and
- It is also provided in the VI-REIT Trust Deed that if the REIT Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the REIT Trustee for and on behalf of VI-REIT with a Related Party of the REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the REIT Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the REIT Trustee, on behalf of VI-REIT, has a prima facie case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. The directors of the REIT Manager will have a duty to ensure that the REIT Manager so complies.

Notwithstanding the foregoing, the REIT Manager shall inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into by the REIT Trustee for and on behalf of VI-REIT with a Related Party of the REIT Manager and the REIT Trustee may take such action as it deems necessary to protect the rights of the VI-REIT Unitholders and/or which is in the interests of the VI-REIT Unitholders. Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the REIT Trustee's right to take such action as it deems fit against such Related Party.

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

The REIT Manager's internal control system

The REIT Manager has established an internal control system to ensure that all future IPTs:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of VI-REIT and its unitholders.

As a general rule, the REIT Manager must demonstrate to the REIT Manager ARC that such transactions satisfy the foregoing criteria, which may entail:

(i) obtaining (where practicable) quotations from parties unrelated to the REIT Manager; or

(ii) obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

Further, the following procedures will be undertaken:

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but less than 3.0% of the value of VI-REIT's net tangible assets (based on the latest audited financial statements) will be subject to review by the REIT Manager ARC at regular intervals;
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of VI-REIT's net tangible assets (based on the latest audited financial statements) will be subject to the review and prior approval of the REIT Manager ARC. Such approval shall only be given if such transaction is on normal commercial terms and is consistent with similar types of transactions made by the REIT Trustee with third parties which are unrelated to the REIT Manager; and
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of VI-REIT's net tangible assets (based on the latest audited financial statements) will be reviewed and approved prior to such transaction being entered into, on the basis as described in the preceding paragraph, by the REIT Manager ARC which may, as it deems fit, request for advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transaction would have to be approved by the VI-REIT Unitholders at a meeting duly convened.

CORPORATE GOVERNANCE

- The aggregate value of the IPTs entered into by VI-REIT in FY2017 is set out below:

	Aggregate value of all IPTs during the financial year under review		
Name of Interested Person/Party	VIT S$'000	VI-REIT Group S$'000	VI-BT S$'000
The REIT Manager			
Management fees paid and payable	7,501	7,501	–
Performance fee payable	1,242	1,242	–
Acquisition fee paid in relation to the acquisition of an investment property	873	873	–
Rental income and utilities charges received and receivable	210	210	–
Viva Real Estate Asset Management Pte Ltd (the "Property Manager") (Note (a))			
Property and lease management fees paid and payable	3,131	3,131	–
Marketing commission paid and payable	1,398	1,398	–
Project management fee paid and payable	181	181	–
The REIT Trustee			
Trustee fees paid and payable	194	194	–
Ho Seng Lee Industries Pte Ltd (Related party of the REIT Manager) (Note (b))			
Rental income received and receivable	1,937	1,937	–
Wee Poh Construction Co. (Pte.) Ltd. (Related party of the REIT Manager) (Note (b))			
Progress claims paid and payable under the construction contract for the asset enhancement initiative at Viva Business Park	1,240	1,240	–

Notes:

(a) The Property Manager is a related corporation of the REIT Manager.

(b) A wholly-owned subsidiary of Ho Lee Group Pte Ltd ("HLG"), which is related to the REIT Manager by virtue of HLG's indirect equity interest in the REIT Manager of 27.8%.

There were no IPTs conducted under stapled securityholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review.

CORPORATE GOVERNANCE

Material contracts

Except for the IPTs as disclosed above, there were no material contracts entered into by VIT involving the interests of the CEO of the Managers, each director of the Managers' Board, controlling shareholders of the Managers or controlling stapled securityholders of VIT during FY2017.

STATEMENT OF POLICIES AND PRACTICES

VI-BT has been inactive since VIT became listed on the Main Board of SGX-ST. Although VI-BT is inactive, the BT Trustee-Manager Board is committed to complying with the requirements under the Listing Manual, the BTA and BTR, the SFA, as well as the VI-BT Trust Deed and the Stapling Deed.

The statement on policies and practices in relation to the management and governance of VI-BT (as described in Section 87 (1) of the BTA) is set out on page 86 to 94 of this Annual Report.

FEES PAYABLE TO THE REIT MANAGER

MANAGEMENT FEES PAYABLE TO THE REIT MANAGER

Pursuant to Clause 15.1 of the VI-REIT Trust Deed, the REIT Manager is entitled to the following management fees:

– a REIT Base Fee, being a fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the Distributable Income of VI-REIT (as defined in the VI-REIT Trust Deed) (calculated before accounting for the REIT Base Fee and the REIT Performance Fee); and

– a REIT Performance Fee, being a fee equal to a rate of 25.0% per annum of the difference in Distribution per Stapled Security ("DPS") of VIT in a financial year with the DPS of VIT in the preceding financial year (calculated before accounting for the REIT Performance Fee and the BT Performance Fee but after accounting for the REIT Base Fee and the BT Base Fee in each financial year) multiplied by the weighted average number of stapled securities in issue for such financial year.

The REIT Performance Fee is payable if the DPS of VIT in respect of a financial year exceeds the DPS of VIT in the preceding financial year, notwithstanding that the DPS of VIT in the financial year where the REIT Performance Fee is payable may be less than the DPS of VIT in any financial year prior to the preceding financial year.

There should be no double-counting of fees in the event that both the REIT Manager and the Trustee-Manager are entitled to the Base Fee and the Performance Fee. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of VI-REIT and VI-BT in the Performance Fee. For the avoidance of doubt, the maximum Base Fee payable to both the REIT Manager and the Trustee-Manager collectively is 10.0% per annum of the Distributable Income of VIT and the maximum Performance Fee payable to both the REIT Manager and the Trustee- Manager collectively is 25.0% per annum of the difference in DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of stapled securities in issue for such financial year.

The REIT Manager may elect to receive the REIT Base Fee and the REIT Performance Fee in cash or stapled securities or a combination of cash and stapled securities (as it may in its sole discretion determine).

Any portion of the REIT Base Fee payable in the form of stapled securities shall be payable quarterly in arrears and any portion of the REIT Base Fee payable in cash shall be payable monthly in arrears. The REIT Performance Fee crystallises only once a year and shall be payable annually in arrears.

The REIT Base Fee is payable to the REIT Manager for managing the assets and liabilities of VI-REIT for the benefit of the stapled securityholders, which includes setting the strategic plans for VI-REIT based on its investment mandate and strategy, formulating business plans for its properties, as well as ensuring that VI-REIT complies with all applicable requirements, laws and regulations. The REIT Base Fee compensates the REIT Manager for the costs incurred in managing VI-REIT, which include its overheads, daily operating expenses and compliance costs. Given that the REIT Base Fee is computed based on a percentage of the Distributable Income of VI-REIT, the REIT Manager is incentivised to increase the Distributable Income of VI-REIT. This aligns the REIT Manager's interest with the interests of the stapled securityholders.

FEES PAYABLE TO THE REIT MANAGER

The REIT Performance Fee is payable to the REIT Manager as an incentive to improve the rate of returns for the stapled securityholders. Given that the REIT Performance Fee is computed based on a percentage of the growth in the DPS of VIT multiplied by the weighted average number of stapled securities in issue during the financial year, the REIT Manager is incentivised to grow the DPS of VIT on a sustainable basis over the long term. In order to achieve sustainable growth in the DPS of VIT over the long term, the REIT Manager will be motivated to adopt pro-active asset management strategies and prudent capital and risk management strategies to enhance the long-term value and prospects of VI-REIT, and the REIT Manager will not be motivated to take excessive short-term risks to achieve unsustainable short-term growth in the DPS of VIT. This aligns the REIT Manager's interest with the long-term interests of the stapled securityholders.

ACQUISITION FEE AND DIVESTMENT FEE PAYABLE TO THE REIT MANAGER

Pursuant to Clause 15.2 of the VI-REIT Trust Deed, the REIT Manager is entitled to:

- an acquisition fee at the rate of 1.0% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) in relation to an acquisition (whether directly or indirectly through one or more Special Purpose Vehicles ("SPVs") of VI-REIT) of any real estate, the acquisition price of any real estate purchased by VI-REIT, plus any other payments in addition to the acquisition price made by VI-REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of VI-REIT's interest);

  (ii) in relation to an acquisition (whether directly or indirectly through one or more SPVs of VI-REIT) of any SPV or holding entity which holds real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the acquisition from the vendor of the equity interests in any vehicle holding, directly or indirectly, the real estate purchased by VI-REIT, plus any additional payments made by VI-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of VI-REIT's interest); or

  (iii) the acquisition price of any investment by VI-REIT, whether directly or indirectly through one or more SPVs of VI-REIT, in any debt securities of any property corporation or other SPV owning or acquiring real estate.

- a divestment fee at the rate of 0.5% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by VI-REIT (plus any other payments in addition to the sale price received by VI-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated if applicable to the proportion of VI-REIT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding, directly or indirectly, the real estate being sold or divested, whether directly or indirectly through one or more SPVs, by VI-REIT (plus any additional payments received by VI-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated if applicable to the proportion of VI-REIT's interest); or

  (iii) the sale price of any investment sold or divested by VI-REIT, whether directly or indirectly through one or more SPVs of VI-REIT, in any debt securities of any property corporation or other SPVs owning or acquiring real estate.

FEES PAYABLE TO THE REIT MANAGER

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of VI-REIT shall be paid by the REIT Manager out of the VI-REIT Deposited Property and not by the REIT Manager to such persons.

The acquisition fee and divestment fee are payable to the REIT Manager in the form of cash and/or stapled securities (as the REIT Manager may elect) provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee shall be in the form of stapled securities at prevailing market price(s) instead of cash. The stapled securities issued to the REIT Manager as its acquisition or divestment fee shall not be sold within one year from the date of their issuance.

The acquisition fee is payable to the REIT Manager to incentivise the REIT Manager to acquire new properties to grow the property portfolio of VI-REIT, as well as to compensate the REIT Manager for its time, cost and effort incurred in sourcing, evaluating and executing potential opportunities to acquire good quality assets. By growing the property portfolio of VI-REIT through the acquisitions of new properties, it will expand and diversify VI-REIT's income streams, increase its Distributable Income and enhance its long-term value.

The divestment fee is payable to the REIT Manager to compensate the REIT Manager for its time, cost and effort incurred in evaluating and executing potential opportunities to rebalance the property portfolio of VI-REIT and unlock the underlying values of its existing properties through the divestment of mature properties which have limited growth potential, as well as to incentivise the REIT Manager to seek the best possible price for the divestment. To maximize the returns for stapled securityholders, the REIT Manager continually reviews the property portfolio of VI-REIT to ensure that the assets continue to generate sustainable returns. If a property has limited growth potential or it no longer fits the investment strategy of the REIT Manager and it presents an opportunity for capital recycling, the REIT Manager may explore unlocking its underlying value through divestment and thereafter, consider deploying the divestment proceeds for investment and/or capital management purposes.

DEVELOPMENT MANAGEMENT FEE PAYABLE TO THE REIT MANAGER

Pursuant to Clause 15.6 of the VI-REIT Trust Deed, the REIT Manager is entitled to a development management fee equivalent to 3.0% of the Total Project Costs (as defined in the VI-REIT Trust Deed) incurred in a Development Project (as defined in the VI-REIT Trust Deed) undertaken by the REIT Manager on behalf of VI-REIT.

Subject to the Property Funds Appendix, the development management fee shall be payable to the REIT Manager in the form of cash. The development management fee is payable in equal monthly instalments over the construction period of each Development Project based on the REIT Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs is finalised. For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project.

The development management fee is payable to the REIT Manager to incentivise the REIT Manager to undertake Development Projects on behalf of VI-REIT to enhance its property portfolio, as well as to compensate the REIT Manager for its time, cost and effort incurred in managing Development Projects. By undertaking Development Projects on behalf of VI-REIT, it will improve the yield of VI-REIT's property portfolio, increase its Distributable Income and enhance its long-term value.

FINANCIAL STATEMENTS

VIVA INDUSTRIAL BUSINESS TRUST
(Constituted in the Republic of Singapore pursuant to a trust deed dated 14 October 2013)

FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 August 2013)

FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

VIVA INDUSTRIAL TRUST
(Constituted in the Republic of Singapore pursuant to a stapling deed dated 14 October 2013)

FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

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REPORT OF THE TRUSTEE-MANAGER OF VIVA INDUSTRIAL BUSINESS TRUST

The directors of Viva Asset Management Pte. Ltd., the trustee-manager of Viva Industrial Business Trust ("VI-BT", and the trustee-manager of VI-BT, the "Trustee-Manager"), present this report to the unitholders together with the audited financial statements for the financial year ended 31 December 2017.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are as follows:

Ang Poh Seong
Leong Horn Kee
Choong Chow Siong
Ronald Lim Cheng Aun
Teo Cheng Hiang Richard
Tan Kim Seng
Tan Hai Peng Micheal

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Trustee-Manager for the purpose of Section 76 of the Business Trusts Act, Chapter 31A of Singapore (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in units in VI-BT are as follows:

	Direct Interest		Deemed Interest	
Name of directors	Holdings at beginning of the year	Holdings at end of the year	Holdings at beginning of the year	Holdings at end of the year
Ang Poh Seong	1,250,000	2,269,835	–	–
Leong Horn Kee	64,000	64,000	–	–
Ronald Lim Cheng Aun	93,000	93,000	–	–
Teo Cheng Hiang Richard	200,000	200,000	–	–
Tan Kim Seng	–	–	36,629,800	1,587,304
Tan Hai Peng Micheal	–	–	75,930,875	79,821,731

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units of VI-BT either at the beginning or at the end of the financial year.

There were no changes in any of the abovementioned interests in VI-BT between the end of the financial year and 21 January 2018.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year, was the Trustee-Manager a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in or debentures of VI-BT.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by VI-BT or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the financial statements.

REPORT OF THE TRUSTEE-MANAGER OF VIVA INDUSTRIAL BUSINESS TRUST

OPTIONS

During the financial year, there were:

(i) no options granted by the Trustee-Manager to any person to take up unissued units in VI-BT; and

(ii) no units issued by virtue of any exercise of option to take up unissued units of VI-BT.

As at the end of the financial year, there were no unissued units of VI-BT under options.

AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

STATEMENT BY THE TRUSTEE-MANAGER

In our opinion:

(a) the financial statements of VI-BT set out on pages 100 to 165 are drawn up so as to give a true and fair view of the financial position of VI-BT as at 31 December 2017 and the financial performance, changes in unitholders' funds and cash flows of VI-BT for the year then ended on that date in accordance with the provisions of the Act and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that VI-BT will be able to fulfil, out of the trust property of VI-BT, the liabilities of VI-BT as and when they fall due.

With respect to the statement of comprehensive income of VI-BT for the year ended 31 December 2017, we further certify that:

– interested person transactions are not detrimental to the interests of all the unitholders of VI-BT as a whole based on the circumstances at the time of the transactions; and

– the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of VI-BT or on the interests of all the unitholders of VI-BT as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the Trustee-Manager,
Viva Asset Management Pte. Ltd.

Leong Horn Kee
Director

Ang Poh Seong
Director

Singapore
26 March 2018

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

In accordance with Section 86 of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of VI-BT or on the interests of all the unitholders of VI-BT as a whole.

Ang Poh Seong
Chief Executive Officer

Singapore
26 March 2018

REPORT OF THE TRUSTEE OF VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Perpetual (Asia) Limited (the "REIT Trustee") is under a duty to take into custody and hold the assets of Viva Industrial Real Estate Investment Trust ("VI-REIT") and its subsidiary (collectively, the "VI-REIT Group") in trust for the holders of units in VI-REIT. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the REIT Trustee shall monitor the activities of Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed") made between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed VI-REIT Group during the year covered by these financial statements set out on pages 100 to 165, in accordance with the limitations imposed on the investment and borrowing powers set out in the VI-REIT Trust Deed.

For and on behalf of the REIT Trustee,
Perpetual (Asia) Limited

Sin Li Choo
Director

Singapore
26 March 2018

REPORT OF THE MANAGER OF VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

In the opinion of the directors of Viva Industrial Trust Management Pte. Ltd., the manager of Viva Industrial Real Estate Investment Trust ("VI-REIT", and the manager of VI-REIT, the "REIT Manager"), the accompanying financial statements of VI-REIT Group and Viva Industrial Trust (the "Stapled Group" comprising VI-REIT and its subsidiary (collectively, the "VI-REIT Group") and Viva Industrial Business Trust ("VI-BT")) set out on pages 100 to 165, comprising their statements of financial position, statements of total return, distribution statements, statements of movements in unitholders' funds, statements of cash flows, portfolio statements and notes to the financial statements, are drawn up so as to present fairly, in all material respects, the financial positions of VI-REIT Group and the Stapled Group as at 31 December 2017, the total return, distributable income, movements in unitholders' funds and cash flows of VI-REIT Group and the Stapled Group for the year ended 31 December 2017, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of VI-REIT's trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed") made between Perpetual (Asia) Limited (the "REIT Trustee") and the REIT Manager, and the stapling deed of Viva Industrial Trust made between the REIT Trustee, the REIT Manager and Viva Asset Management Pte. Ltd. (the trustee-manager of VI-BT) dated 14 October 2013. At the date of this statement, there are reasonable grounds to believe that VI-REIT Group and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the REIT Manager,
Viva Industrial Trust Management Pte. Ltd.

Leong Horn Kee
Chairman

Singapore
26 March 2018

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

Viva Industrial Business Trust ("VI-BT") has been inactive since the listing of Viva Industrial Trust ("VIT") on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 4 November 2013.

Although VI-BT is inactive, the Board of Directors of Viva Asset Management Pte. Ltd. ("Trustee-Manager") (the "Trustee-Manager Board") is committed to complying with the requirements under the SGX-ST Listing Manual, the Business Trusts Act, Chapter 31A of Singapore (the "BTA") and the Business Trusts Regulations 2005 (the "BTR") (except where waivers have been obtained from the Monetary Authority of Singapore (the "MAS")), the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") as well as the trust deed dated 14 October 2013 constituting VI-BT (the "VI-BT Trust Deed") and the stapling deed dated 14 October 2013 (the "Stapling Deed").

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of VI-BT units (the "VI-BT Unitholders"), and managing the business conducted by VI-BT. The Trustee-Manager has general powers of management over the business and assets of VI-BT and its main responsibility is to manage VI-BT's assets and liabilities for the benefit of the VI-BT Unitholders as a whole.

The Trustee-Manager, in exercising its powers and carrying out its duties as VI-BT's Trustee-Manager, is required to:

- treat the VI-BT Unitholders in the same class fairly and equally and VI-BT Unitholders who hold VI-BT units in different classes (if any) fairly;
- ensure that all payments out of the trust property of VI-BT (the "VI-BT Trust Property") are made in accordance with the VI-BT Trust Deed and the Stapling Deed;
- report to the MAS any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 by any other person that:
  - relates to VI-BT; and
  - has had, has or is likely to have, a material adverse effect on the interests of all the VI-BT Unitholders, or any class of VI-BT Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- ensure that the VI-BT Trust Property is properly accounted for; and
- ensure that the VI-BT Trust Property is kept distinct from the property held in its own capacity.

The Trustee-Manager has the following duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as VI-BT's Trustee-Manager in accordance with the BTA and the VI-BT Trust Deed;
- act in the best interests of all VI-BT Unitholders as a whole and give priority to the interests of all VI-BT Unitholders as a whole over its own interests in the event of a conflict between the interests of all VI-BT Unitholders as a whole and its own interests;

- not make improper use of any information acquired by virtue of its position as VI-BT's Trustee-Manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the VI-BT Unitholders;
- hold the VI-BT Trust Property on trust for all VI-BT Unitholders as a whole in accordance with the terms of the VI-BT Trust Deed;
- adhere with the business scope of VI-BT as set out in the VI-BT Trust Deed;
- review interested person transactions in relation to VI-BT; and
- review expense and cost allocations payable to the Trustee-Manager in its capacity as trustee-manager of VI-BT out of the VI-BT Trust Property, and ensure that fees and expenses charged to VI-BT are appropriate and in accordance with the VI-BT Trust Deed.

The MAS has also granted the Trustee-Manager an exemption from compliance with sections 10(2)(a) and 11(1)(a) of the BTA to the extent that sections 10(2)(a) and 11(1)(a) require the Trustee-Manager Directors to act in the best interests of the VI-BT Unitholders only so long as:

(a) the Trustee-Manager ensures that the units of VI-BT remain stapled to the units of VI-REIT; and

(b) the Trustee-Manager and its Directors shall act in the best interest of all the Stapled Securityholders as a whole.

VI-BT TRUST PROPERTY IS PROPERLY ACCOUNTED FOR

In the event that VI-BT becomes active, the VI-BT Trust Property shall be properly accounted for and kept distinct from the property of the Trustee-Manager in its own capacity. Different bank accounts shall be maintained for the Trustee-Manager in its personal capacity and its capacity as trustee-manager of VI-BT.

ADHERENCE TO THE BUSINESS SCOPE OF VI-BT

In the event that VI-BT becomes active, the Trustee-Manager Board shall review and approve all authorised businesses undertaken by VI-BT so as to ensure its adherence to the business scope as set out in the VI-BT Trust Deed. Such authorised businesses include:

(i) the acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto;

(ii) ownership of subsidiaries which are engaged in the acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto; and

(iii) any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii), including the management and leasing of the authorised investments.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

FEES PAYABLE TO THE TRUSTEE-MANAGER

Base Fee

Under the VI-BT Trust Deed, the Trustee-Manager shall be entitled to a base fee comprising 10.0% of the distributable income of VI-BT in the relevant financial year (calculated before accounting for this base fee and the Trustee-Manager's performance fee in that financial year) ("BT Base Fee"), payable in the event that VI-BT becomes active.

Performance Fee

Under the VI-BT Trust Deed, the Trustee-Manager shall be entitled to a performance fee equal to the rate of 25.0% of the difference in the distribution per stapled security ("DPS") of VIT in a financial year with the DPS of VIT in the preceding financial year (calculated before accounting for the performance fee of the Trustee-Manager and the REIT Manager but after accounting for the base fee of the Trustee-Manager and the REIT Manager in each financial year) multiplied by the weighted average number of stapled securities in issue for such financial year ("BT Performance Fee").

The BT Performance Fee is payable if the DPS of VIT in respect of a financial year exceeds the DPS of VIT in the preceding financial year, notwithstanding that the DPS of VIT in the financial year where the BT Performance Fee is payable may be less than the DPS of VIT in any financial year prior to the preceding financial year.

For the purpose of the computation of the BT Performance Fee only, the DPS of VIT shall be calculated based on all income of VIT arising from the operations of VIT, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments or authorised business of VIT but shall exclude any one-off income of VIT such as any income arising from any sale or disposal of (i) any real estate (whether directly or indirectly through one or more special purpose vehicles) or any part thereof, and (ii) any investments forming part of the VI-BT Trust Property or any part thereof.

For the purpose of calculating the BT Performance Fee for the first full financial year following VI-BT becoming active, the DPS of VIT for the base financial year shall be the annualised amount of the actual DPS of VIT made in respect of the prior financial year.

There should be no double-counting of fees in the event both the REIT Manager and the Trustee-Manager are entitled to the Base Fee and the Performance Fee. In the event that both the REIT Manager and the Trustee-Manager are entitled to Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of VI-REIT and VI-BT in the Performance Fee. For the avoidance of doubt, the maximum Base Fee payable to both the REIT Manager and the Trustee-Manager collectively is 10.0% per annum of the distributable income and the maximum performance fee payable to both the REIT Manager and the Trustee-Manager collectively is 25.0% per annum of the difference in DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of stapled securities in issue for such financial year.

The Trustee-Manager may elect to receive the BT Base Fee and the BT Performance Fee in cash or stapled securities or a combination of cash and stapled securities (as it may in its sole discretion determine).

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

Trustee Fee

Under the VI-BT Trust Deed, the Trustee-Manager is entitled to a trustee fee in cash of up to 0.03% per annum of the value of the VI-BT Trust Property, provided that the value of the VI-BT Trust Property is at least $50.0 million.

For the purpose of calculating the trustee fee, if VI-BT holds only a partial interest in any of the VI-BT Trust Property, such VI-BT Trust Property shall be pro-rated in proportion to the partial interest held.

For the year under review, no management fee and trustee fee were paid to the Trustee-Manager as VI-BT remains inactive.

EXPENSES CHARGED TO VI-BT

The Trustee-Manager Board will carry out quarterly reviews to ensure that the expenses payable to the Trustee-Manager out of the VI-BT Trust Property are appropriate and in accordance with the VI-BT Trust Deed, in the event VI-BT becomes active.

For the year under review, no expenses were paid to the Trustee-Manager from the VI-BT Trust Property as VI-BT remains inactive.

COMPLIANCE WITH THE BTA AND THE SGX-ST LISTING MANUAL

The Trustee-Manager will engage the services of and obtain advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the SGX-ST Listing Manual in the event that VI-BT becomes active.

Composition of the Trustee-Manager Board

Under Regulation 12(1) of the BTR, the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every Substantial Shareholder of the Trustee-Manager (defined as any shareholder of the Trustee-Manager with an interest of not less than 5.0% of the shares in issue); and
- at least a majority of Trustee-Manager Directors who are independent from any single Substantial Shareholder of the Trustee-Manager.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

The Trustee-Manager Board consists of seven Directors, four of whom are Independent Directors for the purposes of the BTA. They are:

Name	Position
Leong Horn Kee	Chairman and Independent Non-Executive Director
Ang Poh Seong	Executive Director and Chief Executive Officer
Choong Chow Siong	Independent Non-Executive Director
Teo Cheng Hiang Richard	Independent Non-Executive Director
Ronald Lim Cheng Aun	Independent Non-Executive Director
Tan Kim Seng	Non-Executive Director
Tan Hai Peng Micheal	Non-Executive Director

Mr Ang Poh Seong is considered a non-independent director as he is the Chief Executive Officer of the Trustee-Manager. Both Mr Tan Kim Seng and Mr Tan Hai Peng Micheal are considered non-independent directors as they are also directors of Viva Investment Management Pte Ltd, the sole shareholder of the Trustee-Manager.

None of the directors of the Trustee-Manager would, by definition under the BTR, be independent from a Substantial Shareholder as all the directors of the Trustee-Manager are also directors of the REIT Manager, and both the Trustee-Manager and the REIT Manager are wholly-owned by Viva Investment Management Pte Ltd.

The MAS has also granted the Trustee-Manager an exemption from compliance with regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that regulations 12(1)(a) and 12(1)(b) of the BTR require the directors of the Trustee-Manager to be independent, subject to certain conditions.

The stapling together of VI-BT units and VI-REIT units means that the VI-BT Unitholders are also the holders of the stapled securities, who stand to benefit as a whole regardless of whether the directors of the Trustee-Manager are independent from the Substantial Shareholders of the Trustee-Manager.

In addition to compliance with the requirements under the BTA, the composition of the Trustee-Manager Board is determined using the following principles:

- the Chairman of the Trustee-Manager Board should be a non-executive director; and
- the Trustee-Manager Board should consist of directors with a broad range of commercial experience.

The composition of the Trustee-Manager Board will be reviewed regularly to ensure that the Trustee-Manager Board has the appropriate mix of expertise and experience.

As at the date of this report, the REIT Manager Board and the Trustee-Manager Board consist of the same directors except for Mr Tong Jinquan, a Non-Independent Non-Executive Director of the REIT Manager, who is not a director of the Trustee-Manager. As at the date of this report, VI-BT is inactive and a majority of the directors of the Trustee-Manager are independent as required under the BTR. In the event that VI-BT becomes active, the composition of the REIT Manager Board and the Trustee-Manager Board will be realigned to be the same.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

Chairman and Chief Executive Officer

The positions of Chairman of the Trustee-Manager Board and Chief Executive Officer of the Trustee-Manager are held by two different individuals in order to ensure an appropriate balance of power, increased accountability and to maintain effective checks and balances. The Chairman of the Trustee-Manager Board is Dr Leong Horn Kee, while the Chief Executive Officer of the Trustee-Manager is Mr Ang Poh Seong. The Chairman is responsible for the overall management of the Trustee-Manager Board, while the Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager.

Access to Information

The Trustee-Manager Board has separate and independent access to senior management of the Trustee-Manager (the "Management") and the company secretary of the Trustee-Manager (the "Company Secretary") at all times. The Directors also have access to independent professional advice where appropriate and whenever requested.

The Company Secretary of the Trustee-Manager, Ms Ang Siew Koon, is also the Company Secretary of the REIT Manager.

The Company Secretary reports to the Chief Executive Officer of the Trustee-Manager and her duties include:

- ensuring that board procedures of the Trustee-Manager Board are followed;
- assisting the Trustee-Manager with corporate secretarial administration matters for the Trustee-Manager, both in its personal capacity and in its capacity as trustee-manager of VI-BT, including attending all board meetings; and
- assisting the Trustee-Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the SGX-ST Listing Manual.

Remuneration Matters

As VI-BT remains inactive, no compensation is payable to the Directors and Executive Officers of the Trustee-Manager.

Audit Committee

The MAS has granted the Trustee-Manager an exemption from compliance with section 15(1) of the BTA to the extent that section 15(1) requires an audit committee to be constituted before VI-BT becomes active, subject to certain conditions.

External Auditor

The Trustee-Manager, on behalf of VI-BT, confirms that VI-BT has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its auditing firm.

Internal Audit

As VI-BT remains inactive, an internal auditor has not been appointed.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

RISK MANAGEMENT AND INTERNAL CONTROLS

The Trustee-Manager Board will put in place appropriate internal control systems including the following to manage business risks in the event that VI-BT becomes active.

The Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of VI-BT against a previously approved budget. The Trustee-Manager Board will also review the business risks of VI-BT, examine liability management and will act upon any comments from both the internal and external auditors of VI-BT.

In assessing business risks, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. It will review management reports prior to approving major transactions.

The Management will meet regularly to review the operations of the Trustee-Manager and VI-BT and discuss any disclosure issues.

INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of VI-BT) or any of the subsidiaries or associated companies of VI-BT); and

- any of the Interested Persons (namely, the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of VI-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of VI-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Stapled Securityholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Stapled Securityholder)

would constitute an Interested Person Transaction.

For so long as VI-BT is part of a stapled group and in the event that the REIT Manager Board and the Trustee-Manager Board cannot reach an agreement on any resolution relating to governance or compliance matters before them where such resolution would require the collective approval of both the Boards of Directors of the REIT Manager and the Trustee-Manager, the votes of the Independent Directors of the REIT Manager will prevail in the event that the Trustee-Manager Board has approved such resolutions.

Since the VI-REIT units and VI-BT units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested party transactions will be absent in transactions between VI-REIT and VI-BT.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

INTERNAL CONTROL SYSTEM

In the event that VI-BT becomes active, the Trustee-Manager will establish an internal control system to ensure that all future Interested Person Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of VI-BT and the Stapled Securityholders.

The Trustee-Manager will maintain a register to record all Interested Person Transactions which are entered into by VI-BT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by VI-BT.

Where matters concerning VI-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of VI-BT with an Interested Person (as defined in the BTA) of the Trustee-Manager (which would include relevant associates thereof) or VI-BT, the Trustee-Manager Board will consider the terms of such transactions to satisfy itself that such transactions are:

- conducted on normal commercial terms;
- not prejudicial to the interests of VI-BT and the Stapled Securityholders; and
- in compliance with all applicable requirements of the SGX-ST Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or VI-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the SGX-ST Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST that apply to business trusts.

The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the SGX-ST Listing Manual in a particular financial year will be disclosed in VIT's annual report for the relevant financial year.

Save for the Interested Person Transactions in connection with the setting up of VI-BT, Exempted Agreements, and Future Interested Party Transactions (as disclosed in the IPO prospectus of VIT), VI-BT will comply with Rule 905 of the SGX-ST Listing Manual by announcing any Interested Person Transaction in accordance with the SGX-ST Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the SGX-ST Listing Manual) during the same financial year, is 3.0% or more of the value of VI-BT's latest audited net tangible assets.

STATEMENT ON POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST

Potential Conflicts of Interest

The Trustee-Manager has instituted the following procedures to deal with conflicts of interest issues:

- all resolutions in writing of the Trustee-Manager Directors in relation to matters concerning VI-BT must be approved by a majority of the Trustee-Manager Directors, including at least one Independent Trustee-Manager Director;

- all executive officers will be employed by the Trustee-Manager;

- in respect of matters in which a Trustee-Manager Director or his Associates (as defined in the SGX-ST Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude such interested director;

- in respect of matters in which each of the Sponsors and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by such Sponsor and/or its subsidiaries to the Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude any nominee directors of such Sponsor and/or its subsidiaries; and

- where matters concerning VI-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of VI-BT with an Interested Person of the Trustee-Manager (which would include relevant associates thereof) or VI-BT, the Trustee-Manager Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of VI-BT and the Stapled Securityholders, and are in compliance with all applicable requirements of the SGX-ST Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or VI-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the SGX-ST Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST that apply to business trusts.

INDEPENDENT AUDITOR'S REPORT

Stapled Securityholders
Viva Industrial Business Trust
Viva Industrial Real Estate Investment Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited:

(i) the financial statements of Viva Industrial Business Trust ("VI-BT") (constituted in the Republic of Singapore pursuant to a trust deed dated 14 October 2013) for the financial year ended 31 December 2017;

(ii) the consolidated financial statements of Viva Industrial Real Estate Investment Trust ("VI-REIT") (constituted in the Republic of Singapore pursuant to a trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed")) and its subsidiary (collectively referred to as "VI-REIT Group") for the financial year ended 31 December 2017; and

(iii) the consolidated financial statements of Viva Industrial Trust (constituted in the Republic of Singapore pursuant to a stapling deed dated 14 October 2013 (the "Stapling Deed")) for the financial year ended 31 December 2017.

Viva Industrial Trust, which comprises VI-BT and VI-REIT Group, is hereinafter referred to as the "Stapled Group".

The accompanying financial statements comprise the statements of financial position of VI-BT, VI-REIT Group and the Stapled Group as at 31 December 2017; the statement of comprehensive income of VI-BT, statements of total return of VI-REIT Group and the Stapled Group, distribution statements of VI-REIT Group and the Stapled Group, statements of movements in unitholders' funds of VI-BT, VI-REIT Group and the Stapled Group and statements of cash flows of VI-BT, VI-REIT Group and the Stapled Group, all for the financial year then ended; portfolio statements of VI-REIT Group and the Stapled Group as at 31 December 2017; and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 100 to 165.

In our opinion:

(a) the financial statements of VI-BT are properly drawn up in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of VI-BT as at 31 December 2017 and of the financial performance, movements in unitholders' funds and cash flows of VI-BT for the financial year ended on that date; and

(b) the consolidated financial statements of VI-REIT Group and the Stapled Group present fairly, in all material respects, the financial positions of VI-REIT Group and the Stapled Group as at 31 December 2017 and the total return, distributable income, movements in unitholders' funds and cash flows of VI-REIT Group and the Stapled Group for the financial year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the VI-REIT Trust Deed and the Stapling Deed.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Stapled Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How the matter was addressed in the audit**
Fair Valuation and Disclosure of Fair Value for Investment Properties The Stapled Group owns a portfolio of investment properties comprising business parks and industrial properties in Singapore. The investment properties represent the single largest category of assets on the Statement of Financial Position, at $1,284,700,000 as at 31 December 2017. The Stapled Group has adopted the fair value model under FRS 40 *Investment Property* which requires all the investment properties to be measured at fair value. The Stapled Group has engaged external independent valuers ("Valuers") to perform the fair value assessment of the investment properties. The fair valuation of investment properties is considered to be a matter of significance as it requires the application of judgement in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to underlying assumptions applied in deriving the capitalisation rate, discount rate, and terminal capitalisation rate as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties. The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 5 to the financial statements of the Stapled Group.	We have assessed the REIT Manager's process of appointing and instructing the Valuers for the scope of work, as well as their process of reviewing, and accepting the Valuers' investment property valuations. We have assessed the qualifications, competence, independence, and the terms of engagement of the Valuers to determine whether there were any matters which might affect the objectivity of the Valuers or impede their scope of work. We held discussions with the REIT Manager and the Valuers on the valuation reports, and engaged our valuation specialist to assist in: • assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties; • comparing valuation assumptions and rates to historical rates and available industry data for comparable markets and properties; and • assessing the integrity of the valuation calculations, valuation inputs, including the review of lease schedules and lease agreements and comparing them to the inputs made to the projected cash flows. Based on the audit procedures performed, the fair valuations of the investment properties and the various inputs used are within a reasonable range of our expectations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Information Other than the Financial Statements and Auditor's Report Thereon

Viva Asset Management Pte. Ltd., the Trustee-Manager of VI-BT (the "Trustee-Manager") and Viva Industrial Trust Management Pte. Ltd., the Manager of VI-REIT (the "REIT Manager"), are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee-Manager and Directors of the Trustee-Manager for the financial statements of VI-BT

The Trustee-Manager is responsible for the preparation of the financial statements of VI-BT that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing VI-BT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate VI-BT or to cease VI-BT's operations, or has no realistic alternative but to do so.

The responsibilities of the Directors of the Trustee-Manager include overseeing VI-BT's financial reporting process.

Responsibilities of the REIT Manager and Directors of the REIT Manager for the financial statements of VI-REIT Group and the Stapled Group

The REIT Manager is responsible for the preparation and fair presentation of the financial statements of VI-REIT Group and the Stapled Group in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing VI-REIT Group's and the Stapled Group's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to liquidate VI-REIT or to cease VI-REIT's operations, or has no realistic alternative but to do so.

The responsibilities of the Directors of the REIT Manager include overseeing VI-REIT Group's and the Stapled Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VI-BT's, VI-REIT Group's and the Stapled Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager and the REIT Manager.

- Conclude on the appropriateness of the Trustee-Manager's and REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of VI-BT, VI-REIT Group and the Stapled Group to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause VI-BT, VI-REIT Group and the Stapled Group to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within VI-REIT Group and the Stapled Group to express an opinion on the consolidated financial statements of VI-REIT Group and of the Stapled Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

We communicate with the Directors of the Trustee-Manager and the REIT Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of the Trustee-Manager and the REIT Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors of the Trustee-Manager and the REIT Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of VI-BT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Xu Jun.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2018

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

	Note	Stapled Group 2017 $'000	Stapled Group 2016 $'000	VI-REIT Group 2017 $'000	VI-REIT Group 2016 $'000	VI-BT 2017 $'000	VI-BT 2016 $'000
Non-current assets							
Subsidiary	4	–	–	–	–	–	–
Investment properties	5	1,284,700	1,199,700	1,284,700	1,199,700	–	–
Intangible assets	6	2,778	6,078	2,778	6,078	–	–
		1,287,478	1,205,778	1,287,478	1,205,778	–	–
Current assets							
Trade and other receivables	7	21,445	17,666	21,445	17,666	–	–
Cash and cash equivalents	8	9,472	30,462	9,444	30,428	28	34
		30,917	48,128	30,889	48,094	28	34
Total assets		**1,318,395**	**1,253,906**	**1,318,367**	**1,253,872**	**28**	**34**
Non-current liabilities							
Trade and other payables	11	8,700	7,986	8,700	7,986	–	–
Interest-bearing borrowings	10	420,774	461,509	420,774	461,509	–	–
Derivative financial instruments	12	2,476	1,778	2,476	1,778	–	–
		431,950	471,273	431,950	471,273	–	–
Current liabilities							
Trade and other payables	11	35,364	39,306	35,359	39,300	5	6
Interest-bearing borrowings	10	99,770	–	99,770	–	–	–
Derivative financial instruments	12	113	–	113	–	–	–
Income tax payable		4,626	4,380	4,626	4,380	–	–
		139,873	43,686	139,868	43,680	5	6
Total liabilities		**571,823**	**514,959**	**571,818**	**514,953**	**5**	**6**
Net assets		**746,572**	**738,947**	**746,549**	**738,919**	**23**	**28**
Represented by:							
Stapled Securityholders' funds							
Unitholders' funds of VI-REIT		746,549	738,919	746,549	738,919	–	–
Unitholders' funds of VI-BT		23	28	–	–	23	28
		746,572	**738,947**	**746,549**	**738,919**	**23**	**28**
Stapled Securities/ Units issued and issuable ('000)	13	**975,759**	**934,090**	**975,759**	**934,090**	**975,759**	**934,090**
Net asset value per Stapled Security/ Unit (cents)	14	**76.512**	**79.109**	**76.510**	**79.106**	**0.002**	**0.003**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN OF THE STAPLED GROUP AND VI-REIT GROUP
STATEMENT OF COMPREHENSIVE INCOME OF VI-BT

Year ended 31 December 2017

	Note	Stapled Group 2017 $'000	Stapled Group 2016 $'000	VI-REIT Group 2017 $'000	VI-REIT Group 2016 $'000	VI-BT 2017 $'000	VI-BT 2016 $'000
Gross revenue	15	111,663	95,119	111,663	95,119	–	–
Property expenses	16	(29,857)	(26,641)	(29,857)	(26,641)	–	–
Net property income		**81,806**	**68,478**	**81,806**	**68,478**	**–**	**–**
Rental support/rental arrangement	17	14,719	12,719	14,719	12,719	–	–
REIT Manager's fees	18	(8,743)	(6,163)	(8,743)	(6,163)	–	–
REIT Trustee's fees		(194)	(183)	(194)	(183)	–	–
Amortisation of intangible assets	6	(3,300)	(3,300)	(3,300)	(3,300)	–	–
Other trust expenses	19	(1,468)	(1,077)	(1,463)	(1,071)	(5)	(6)
Finance income		20	55	20	55	–	–
Finance expenses	20	(20,488)	(21,669)	(20,488)	(21,669)	–	–
Net income/(loss)		**62,352**	**48,860**	**62,357**	**48,866**	**(5)**	**(6)**
Change in fair value of investment properties	5	(20,457)	172	(20,457)	172	–	–
Change in fair value of derivative financial instruments		(811)	(4,092)	(811)	(4,092)	–	–
Total return for the year before income tax		**41,084**	**44,940**	**41,089**	**44,946**	**(5)**	**(6)**
Income tax expense	21	(2,481)	(2,145)	(2,481)	(2,145)	–	–
Total return for the year after income tax		**38,603**	**42,795**	**38,608**	**42,801**	**(5)**	**(6)**
Earnings per Stapled Security/Unit (cents)							
Basic	22	3.990	4.885	3.990	4.885	–	–
Diluted	22	3.990	4.885	3.990	4.885	–	–
Distribution per Stapled Security/ Unit (cents)	22	7.472	6.958	7.472	6.958	–	–

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS OF THE STAPLED GROUP AND VI-REIT GROUP

Year ended 31 December 2017

	Stapled Group		VI-REIT Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Amount available for distribution to holders of Stapled Securities/Units at beginning of the year	9,621	5,109	9,638	5,120
Total return for the year	38,603	42,795	38,608	42,801
Net tax adjustments (Note A)	35,476	18,137	35,476	18,137
Income available for distribution for the year	74,079	60,932	74,084	60,938
Amount available for distribution to holders of Stapled Securities/Units	83,700	66,041	83,722	66,058
Distribution of 1.90 cents per Stapled Security/Unit for the period from 01/07/17 to 30/09/17	(18,432)	–	(18,432)	–
Distribution of 1.861 cents per Stapled Security/Unit for the period from 01/04/17 to 30/06/17	(18,004)	–	(18,004)	–
Distribution of 1.854 cents per Stapled Security/Unit for the period from 01/01/17 to 31/03/17	(17,798)	–	(17,798)	–
Distribution of 1.032 cents per Stapled Security/Unit for the period from 07/11/16 to 31/12/16	(9,612)	–	(9,612)	–
Distribution of 0.728 cents per Stapled Security/Unit for the period from 01/10/16 to 06/11/16	–	(6,320)	–	(6,320)
Distribution of 1.81 cents per Stapled Security/Unit for the period from 01/07/16 to 30/09/16	–	(15,713)	–	(15,713)
Distribution of 1.750 cents per Stapled Security/Unit for the period from 01/04/16 to 30/06/16	–	(15,146)	–	(15,146)
Distribution of 1.638 cents per Stapled Security/Unit for the period from 01/01/16 to 31/03/16	–	(14,138)	–	(14,138)
Distribution of 0.593 cents per Stapled Security/Unit for the period from 27/11/15 to 31/12/15	–	(5,103)	–	(5,103)
	(63,846)	(56,420)	(63,846)	(56,420)
Amount available for distribution to holders of Stapled Securities/Units at end of the year	19,854	9,621	19,876	9,638
Comprising:				
Taxable income	15,448	8,075	15,470	8,092
Tax exempt income	4,406	1,546	4,406	1,546
	19,854	9,621	19,876	9,638

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS OF THE STAPLED GROUP AND VI-REIT GROUP

Year ended 31 December 2017

	Stapled Group		VI-REIT Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Note A – Net tax adjustments comprise:				
- REIT Manager's fees paid/payable in Stapled Securities/ Units	7,816	5,467	7,816	5,467
- Property Manager's fees paid/payable in Stapled Securities/ Units	2,081	2,056	2,081	2,056
- REIT Trustee's fees	194	183	194	183
- Adjustment for recognition of rental income on a straight-line basis over the lease term	(1,587)	(1,626)	(1,587)	(1,626)
- Amortisation of intangible assets	3,300	3,300	3,300	3,300
- Amortisation of debt-related transaction costs	1,882	1,821	1,882	1,821
- Unamortised debt-related transaction costs written off	–	1,890	–	1,890
- Debt prepayment and cancellation fees	–	801	–	801
- Change in fair value of investment properties	20,457	(172)	20,457	(172)
- Change in fair value of derivative financial instruments	811	4,092	811	4,092
– Other non-taxable items	522	325	522	325
Net tax adjustments	35,476	18,137	35,476	18,137

Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group for both financial years were contributed solely by VI-REIT Group as VI-BT was inactive.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2017

	Stapled Group	Unitholders' funds of VI-REIT Group			Unitholders' funds of VI-BT		
	Total $'000	Units in issue $'000	Accumulated profits $'000	Total $'000	Units in issue $'000	Accumulated losses $'000	Total $'000
At 1 January 2016	701,620	644,586	57,003	701,589	42	(11)	31
Operations							
Increase/(decrease) in net assets resulting from operations	42,795	–	42,801	42,801	–	(6)	(6)
Unitholders' transactions							
Issuance of new Units pursuant to private placement	45,000	44,997	–	44,997	3	–	3
Units issued and issuable:							
– As payment of REIT Manager's fees	5,467	5,467	–	5,467	–	–	–
– As payment of Property Manager's fees	2,056	2,056	–	2,056	–	–	–
Issue expenses	(1,571)	(1,571)	–	(1,571)	–	–	–
Distributions to Unitholders	(56,420)	–	(56,420)	(56,420)	–	–	–
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(5,468)	50,949	(56,420)	(5,471)	3	–	3
At 31 December 2016	738,947	695,535	43,384	738,919	45	(17)	28

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2017

	Stapled Group	Unitholders' funds of VI-REIT Group			Unitholders' funds of VI-BT		
	Total $'000	Units in issue $'000	Accumulated profits $'000	Total $'000	Units in issue $'000	Accumulated losses $'000	Total $'000
At 1 January 2017	738,947	695,535	43,384	738,919	45	(17)	28
Operations							
Increase/(decrease) in net assets resulting from operations	38,603	–	38,608	38,608	–	(5)	(5)
Unitholders' transactions							
Issuance of new Units as partial payment of the purchase consideration for the acquisition of an investment property	23,000	23,000	–	23,000	–	–	–
Units issued and issuable:							
– As payment of REIT Manager's fees	7,816	7,816	–	7,816	–	–	–
– As payment of Property Manager's fees	2,081	2,081	–	2,081	–	–	–
Issue expenses	(29)	(29)	–	(29)	–	–	–
Distributions to Unitholders	(63,846)	–	(63,846)	(63,846)	–	–	–
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(30,978)	32,868	(63,846)	(30,978)	–	–	–
At 31 December 2017	746,572	728,403	18,146	746,549	45	(22)	23

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2017

Stapled Group

Description of Property	Leasehold tenure	Remaining lease term at 31/12/2017 (years)	Location	Existing use	Carrying value at 31/12/2017 $'000	Carrying value at 31/12/2016 $'000	Percentage of net assets at 31/12/2017 %	Percentage of net assets at 31/12/2016 %
Investment properties								
Singapore								
UE BizHub EAST (Business Park Component)	30+30 years from 1 February 2008	50	6 & 8 Changi Business Park Avenue 1	Business park	358,000	355,000	48.0	48.0
UE BizHub EAST (Hotel Component)	30+30 years from 1 February 2008	50	2 & 4 Changi Business Park Avenue 1	Hotel	160,000	160,000	21.4	21.7
Viva Business Park	Plot 1: 60 years from 1 April 1971 in respect of Lot 8134N Mukim 27	13	Blocks 750 to 750E Chai Chee Road	Business park	350,000	353,500	46.8	47.8
	Plot 2: 43 years from 1 March 1988 in respect of Lot 7837V Mukim 27	13						
Mauser Singapore	60 years from 19 July 2006	49	81 Tuas Bay Drive	Logistics	28,000	28,000	3.8	3.8
Jackson Square	60 years from 16 May 1969	11	11 Lorong 3 Toa Payoh	Light industrial	73,200	80,000	9.8	10.8
Jackson Design Hub	30+30 years from 1 May 2007	49	29 Tai Seng Street	Light industrial	33,400	33,400	4.5	4.5
Home-Fix Building	30+30 years from 11 September 2007	50	19 Tai Seng Avenue	Light industrial	47,800	47,800	6.4	6.5
11 Ubi Road 1	30+30 years from 1 September 1995	38	11 Ubi Road 1	Light industrial	85,000	87,000	11.4	11.8
30 Pioneer Road	30 years from 16 February 2007	19	30 Pioneer Road	Logistics	55,000	55,000	7.4	7.4
6 Chin Bee Avenue	30 years from 16 October 2013	26	6 Chin Bee Avenue	Logistics	94,300	–	12.6	–
Investment properties, at valuation					1,284,700	1,199,700	172.1	162.3
Other assets and liabilities (net)					(538,128)	(460,753)	(72.1)	(62.3)
Net assets					**746,572**	**738,947**	**100.0**	**100.0**

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2017

VI-REIT Group

Description of Property	Leasehold tenure	Remaining lease term at 31/12/2017 (years)	Location	Existing use	Carrying value at 31/12/2017 $'000	Carrying value at 31/12/2016 $'000	Percentage of net assets at 31/12/2017 %	Percentage of net assets at 31/12/2016 %
Investment properties								
Singapore								
UE BizHub EAST (Business Park Component)	30+30 years from 1 February 2008	50	6 & 8 Changi Business Park Avenue 1	Business park	358,000	355,000	48.0	48.0
UE BizHub EAST (Hotel Component)	30+30 years from 1 February 2008	50	2 & 4 Changi Business Park Avenue 1	Hotel	160,000	160,000	21.4	21.7
Viva Business Park	Plot 1: 60 years from 1 April 1971 in respect of Lot 8134N Mukim 27	13	Blocks 750 to 750E Chai Chee Road	Business park	350,000	353,500	46.8	47.8
	Plot 2: 43 years from 1 March 1988 in respect of Lot 7837V Mukim 27	13						
Mauser Singapore	60 years from 19 July 2006	49	81 Tuas Bay Drive	Logistics	28,000	28,000	3.8	3.8
Jackson Square	60 years from 16 May 1969	11	11 Lorong 3 Toa Payoh	Light industrial	73,200	80,000	9.8	10.8
Jackson Design Hub	30+30 years from 1 May 2007	49	29 Tai Seng Street	Light industrial	33,400	33,400	4.5	4.5
Home-Fix Building	30+30 years from 11 September 2007	50	19 Tai Seng Avenue	Light industrial	47,800	47,800	6.4	6.5
11 Ubi Road 1	30+30 years from 1 September 1995	38	11 Ubi Road 1	Light industrial	85,000	87,000	11.4	11.8
30 Pioneer Road	30 years from 16 February 2007	19	30 Pioneer Road	Logistics	55,000	55,000	7.4	7.4
6 Chin Bee Avenue	30 years from 16 October 2013	26	6 Chin Bee Avenue	Logistics	94,300	–	12.6	–
Investment properties, at valuation					1,284,700	1,199,700	172.1	162.3
Other assets and liabilities (net)					(538,151)	(460,781)	(72.1)	(62.3)
Net assets					**746,549**	**738,919**	**100.0**	**100.0**

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2017

Independent valuations of the investment properties as at 31 December 2017 were undertaken by Cushman & Wakefield VHS Pte. Ltd.. Valuations of the investment properties as at 31 December 2016 were undertaken by Savills Valuation and Professional Services (S) Pte Ltd.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The fair values of the investment properties are based on open market values, which are the valuers' opinion of the best price at which the sale of an interest in each property would complete unconditionally for cash consideration on the date of valuation, and are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered the direct comparison method, income capitalisation method and discounted cash flow method in arriving at the open market values of the properties.

At the end of the reporting period, investment properties with an aggregate carrying value of $1.178 billion (2016: $1.086 billion) have been mortgaged as security for loan facilities granted to VI-REIT Group (See Note 10).

Leasing arrangements

Mauser Singapore is leased to a related party of the REIT Manager under a master lease agreement. The lease contains an initial term of approximately 6 years from 4 November 2013 with an option to renew for a further 5 years.

The Hotel Leased Premises of UE BizHub EAST are leased to a single tenant under a hotel lease agreement. The hotel lease contains an initial term of 5 years from 4 November 2013, which will be renewed for a further 5 years, subject to approval by JTC Corporation.

Jackson Design Hub is leased to a single tenant under a master lease agreement for a term of 10 years from 21 November 2014.

Home-Fix Building is leased to a single tenant under a master lease agreement for a term of 10 years from 24 November 2015.

11 Ubi Road 1 is partially leased to a tenant for a term of 10 years from 24 November 2015.

30 Pioneer Road is leased to a single tenant under a master lease agreement for an initial term of 5 years from 15 April 2016 with an option to renew for a further 5 years.

6 Chin Bee Avenue is leased to a single tenant under a master lease agreement for an initial term of 7 years from 16 January 2017 with an option to renew for a further 3 years.

Other properties are leased to multiple tenants for a typical lease term of 2 to 3 years, with an option to renew for a further term upon expiry of the initial term.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2017

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash flows from operating activities						
Total return for the year before income tax	41,084	44,940	41,089	44,946	(5)	(6)
Adjustments for:						
Effects of recognising rental income on a straight-line basis over the lease term	(1,587)	(1,626)	(1,587)	(1,626)	–	–
Finance income	(20)	(55)	(20)	(55)	–	–
Finance expenses	20,488	21,669	20,488	21,669	–	–
Change in fair value of investment properties	20,457	(172)	20,457	(172)	–	–
Change in fair value of derivative financial instruments	811	4,092	811	4,092	–	–
Amortisation of intangible assets	3,300	3,300	3,300	3,300	–	–
REIT Manager's fees paid/ payable in Stapled Securities/ Units (Note B.1 below)	7,816	5,467	7,816	5,467	–	–
Property Manager's fees paid/ payable in Stapled Securities/ Units (Note B.1 below)	2,081	2,056	2,081	2,056	–	–
Operating income/(loss) before working capital changes	**94,430**	**79,671**	**94,435**	**79,677**	**(5)**	**(6)**
Changes in working capital:						
Trade and other receivables	(2,203)	(1,494)	(2,203)	(1,494)	–	–
Trade and other payables (Note B.2 below)	1,210	(1,364)	1,211	(1,365)	(1)	1
Cash generated from/(used in) operations	**93,437**	**76,813**	**93,443**	**76,818**	**(6)**	**(5)**
Income tax paid	(2,235)	–	(2,235)	–	–	–
Net cash generated from/ (used in) operating activities	**91,202**	**76,813**	**91,208**	**76,818**	**(6)**	**(5)**
Cash flows from investing activities						
Acquisition of investment property (Note A below)	(73,318)	(52,235)	(73,318)	(52,235)	–	–
Payment of stamp duty for investment properties	(311)	(156)	(311)	(156)	–	–
Capital expenditure incurred (Note B.2 below)	(13,411)	(11,455)	(13,411)	(11,455)	–	–
Deposit pledged	(230)	–	(230)	–	–	–
Interest received	23	62	23	62	–	–
Net cash used in investing activities	**(87,247)**	**(63,784)**	**(87,247)**	**(63,784)**	–	–

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2017

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash flows from financing activities						
Proceeds from issue of new Stapled Securities/Units	–	45,000	–	44,997	–	3
Issue expenses paid	(29)	(1,571)	(29)	(1,571)	–	–
Proceeds from borrowings	93,000	294,000	93,000	294,000	–	–
Repayment of borrowings	(35,000)	(290,000)	(35,000)	(290,000)	–	–
Payment of transaction costs on borrowings	(847)	(5,419)	(847)	(5,419)	–	–
Payment of debt prepayment and cancellation fees	–	(801)	–	(801)	–	–
Finance expenses paid	(18,453)	(16,240)	(18,453)	(16,240)	–	–
Distributions paid to holders of Stapled Securities/Units	(63,846)	(56,420)	(63,846)	(56,420)	–	–
Net cash (used in)/ generated from financing activities	**(25,175)**	**(31,451)**	**(25,175)**	**(31,454)**	–	**3**
Net decrease in cash and cash equivalents	(21,220)	(18,422)	(21,214)	(18,420)	(6)	(2)
Cash and cash equivalents at beginning of the year	29,462	47,884	29,428	47,848	34	36
Cash and cash equivalents at end of the year (Note 8)	8,242	29,462	8,214	29,428	28	34

Notes:

(A) Acquisition of Investment Property

Net cash outflow arising from the acquisition of investment property is set out below:

	VI-REIT Group and Stapled Group	
	2017 $'000	2016 $'000
Purchase consideration for investment property	95,339	51,653
Costs directly attributable to the acquisition of investment property	979	582
Partial satisfaction of purchase consideration by way of issuance of new Stapled Securities/Units	(23,000)	–
Net cash outflow	73,318	52,235

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2017

(B) Significant Non-Cash Transactions

Note 1 – New Stapled Securities

For the year ended 31 December 2017, an aggregate of 8,776,774 (2016: 7,386,235) new Stapled Securities, amounting to approximately $7,816,000 (2016: $5,467,000), were issued/issuable to the REIT Manager as payment of the REIT Manager's management fees; and an aggregate of 2,407,749 (2016: 2,774,552) new Stapled Securities, amounting to approximately $2,081,000 (2016: $2,056,000), were issued/issuable to the Property Manager as payment of the Property Manager's property management fees and lease management fees.

Note 2 – Capital expenditure incurred

During the financial year, the Stapled Group and the VI-REIT Group incurred $8,828,000 (2016: $23,937,000) of capital expenditure on investment properties and $10,918,000 (2016: $15,501,000) were included in trade and other payables as at the end of the reporting period. Cash payments of $13,411,000 (2016: $11,455,000) were made for capital expenditure during the financial year.

Certain comparatives in the statements of cash flows of the Stapled Group and the VI-REIT Group for the year ended 31 December 2016 have been reclassified between trade and other payables and capital expenditure incurred, resulting in the following:

	Stapled Group		VI-REIT Group	
	Previously reported 2016 $'000	After reclassification 2016 $'000	Previously reported 2016 $'000	After reclassification 2016 $'000
Cash flows from operating activities				
Trade and other payables	11,118	(1,364)	11,117	(1,365)
Net cash generated from operating activities	89,295	76,813	89,300	76,818
Cash flows from investing activities				
Capital expenditure incurred	(23,937)	(11,455)	(23,937)	(11,455)
Net cash used in investing activities	(76,266)	(63,784)	(76,266)	(63,784)

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Trustee-Manager, the REIT Manager and the REIT Trustee on 26 March 2018.

1 GENERAL

Viva Industrial Trust ("VIT") is a stapled group (the "Stapled Group") comprising Viva Industrial Real Estate Investment Trust ("VI-REIT") and its subsidiary (collectively, "VI-REIT Group") and Viva Industrial Business Trust ("VI-BT").

VI-REIT is a Singapore-domiciled real estate investment trust constituted pursuant to the trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 (the "VI-REIT Trust Deed") made between Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager") and Perpetual (Asia) Limited (the "REIT Trustee"). The VI-REIT Trust Deed is governed by the laws of the Republic of Singapore. The REIT Trustee is under a duty to take into custody and hold the assets of VI-REIT Group in trust for the holders of units in VI-REIT.

VI-BT is a Singapore-domiciled business trust constituted by a trust deed dated 14 October 2013 (the "VI-BT Trust Deed") and is managed by Viva Asset Management Pte. Ltd. (the "Trustee-Manager").

The registered office of the REIT Manager and the Trustee-Manager is located at 750 Chai Chee Road, #04-03 Viva Business Park, Singapore 469000.

The securities in each of VI-REIT and VI-BT are stapled together under the terms of a stapling deed dated 14 October 2013 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager (the "Stapling Deed") and cannot be traded separately. Each stapled security in Viva Industrial Trust (the "Stapled Security") comprises a unit in VI-REIT (the "VI-REIT Unit") and a unit in VI-BT (the "VI-BT Unit").

Viva Industrial Trust was formally admitted to the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST") on 4 November 2013 (the "Listing Date").

The principal activity of VI-REIT is to invest in a diversified portfolio of income-producing real estates which are used predominantly for business park and other industrial purposes in Singapore and elsewhere in the Asia-Pacific region, as well as real estate-related assets in connection with the foregoing, with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. In 2014, VI-REIT established a wholly-owned subsidiary, Viva iTrust MTN Pte. Ltd., to establish and act as the issuer of a $500 million Multicurrency Medium Term Note ("MTN") Programme. At the end of the reporting period, VI-BT remains inactive.

The consolidated financial statements of the Stapled Group comprise the financial statements of VI-BT and VI-REIT Group.

The immediate and ultimate holding companies of the Stapled Group are Leading Wealth Global Inc., incorporated in the British Virgin Islands, and Shanghai Summit (Group) Co., Ltd. (上海长峰(集团)有限公司), incorporated in the People's Republic of China, respectively.

1 GENERAL (CONT'D)

Several service agreements were entered into in relation to the management of VI-BT and VI-REIT, and its property operations. The fee structures of these services are as follows:

(i) Fees Payable to the Trustee-Manager

Management Fees Payable to the Trustee-Manager

Under the VI-BT Trust Deed, the Trustee-Manager is entitled to the following management fees payable in the event that VI-BT becomes active:

- a Business Trust ("BT") Base Fee of 10.0% per annum of the Distributable Income of VI-BT (as defined in the VI-BT Trust Deed) (calculated before accounting for the BT Base Fee and BT Performance Fee); and

- a BT Performance Fee equal to 25.0% per annum of the difference in Distribution per Stapled Security ("DPS") of VIT in a financial year with the DPS of VIT in the preceding financial year (calculated before accounting for the REIT Performance Fee and BT Performance Fee but after accounting for the REIT Base Fee and BT Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The BT Performance Fee is payable if the DPS of VIT in respect of a financial year exceeds the DPS of VIT in the preceding financial year, notwithstanding that the DPS of VIT in the financial year where the BT Performance Fee is payable may be less than the DPS of VIT in any financial year prior to the preceding financial year.

There should be no double-counting of fees in the event that both the REIT Manager and the Trustee-Manager are entitled to the Base Fee and the Performance Fee. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of VI-REIT and VI-BT in the Performance Fee.

For the avoidance of doubt, the maximum Base Fee payable to both the REIT Manager and the Trustee-Manager collectively is 10.0% per annum of the Distributable Income of VIT and the maximum Performance Fee payable to both the REIT Manager and the Trustee-Manager collectively is 25.0% per annum of the difference in DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The Trustee-Manager may elect to receive the BT Base Fee and the BT Performance Fee in cash or Stapled Securities or a combination of cash and Stapled Securities (as it may in its sole discretion determine). Any portion of the fees payable in the form of Stapled Securities shall be payable quarterly in arrears and any portion of the fees payable in cash shall be payable monthly in arrears.

1 GENERAL (CONT'D)

(i) Fees Payable to the Trustee-Manager (cont'd)

Acquisition Fee and Divestment Fee Payable to the Trustee-Manager

The Trustee-Manager is also entitled to:

– an acquisition fee of 1.0% of any of the following as is applicable (subject to there being no double-counting):

  (i) in relation to an acquisition (whether directly or indirectly through one or more Special Purpose Vehicles ("SPVs") of VI-BT) of any real estate, the acquisition price of any real estate purchased by VI-BT, plus any other payments in addition to the acquisition price made by VI-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of VI-BT's interest);

  (ii) in relation to an acquisition (whether directly or indirectly through one or more SPVs of VI-BT) of any SPV or holding entity which holds real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the acquisition from the vendor of the equity interests in any vehicle holding, directly or indirectly, the real estate purchased by VI-BT, plus any additional payments made by VI-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of VI-BT's interest); or

  (iii) the acquisition price of any investment by VI-BT, whether directly or indirectly through one or more SPVs of VI-BT, in any debt securities of any property corporation or other SPV owning or acquiring real estate.

– a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):

  (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by VI-BT (plus any other payments in addition to the sale price received by VI-BT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated if applicable to the proportion of VI-BT's interest);

  (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding, directly or indirectly, the real estate being sold or divested, whether directly or indirectly through one or more SPVs, by VI-BT (plus any additional payments received by VI-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated if applicable to the proportion of VI-BT's interest); or

  (iii) the sale price of any investment sold or divested by VI-BT, whether directly or indirectly through one or more SPVs of VI-BT, in any debt securities of any property corporation or other SPVs owning or acquiring real estate.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of VI-BT shall be paid by the Trustee-Manager out of the VI-BT Trust Property and not by the Trustee-Manager to such persons.

1 GENERAL (CONT'D)

(i) Fees Payable to the Trustee-Manager (cont'd)

Acquisition Fee and Divestment Fee Payable to the Trustee-Manager (cont'd)

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities (as the Trustee-Manager may elect) provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee shall be in the form of Stapled Securities at prevailing market price(s) instead of cash. The Stapled Securities issued to the Trustee-Manager as its acquisition or divestment fee shall not be sold within one year from the date of their issuance.

Development Management Fee Payable to the Trustee-Manager

The Trustee-Manager is entitled to development management fees equivalent to 3.0% of the Total Project Costs (as defined in the VI-BT Trust Deed) incurred in a Development Project (as defined in the VI-BT Trust Deed) undertaken by the Trustee-Manager on behalf of VI-BT.

Trustee Fee Payable to the Trustee-Manager

Under the VI-BT Trust Deed, the Trustee-Manager is entitled to a trustee fee in cash of up to 0.03% per annum of the value of the VI-BT Trust Property, provided that the value of the VI-BT Trust Property is at least $50.0 million.

For the purpose of calculating the trustee fee, if VI-BT holds only a partial interest in any of the VI-BT Trust Property, such VI-BT Trust Property shall be pro-rated in proportion to the partial interest held.

The trustee fee shall be payable in arrears on a monthly basis in the form of cash.

(ii) REIT Trustee's fee

Under the VI-REIT Trust Deed, the REIT Trustee's fee is presently charged on a scaled basis of up to 0.015% per annum of the value of VI-REIT's Deposited Property, subject to a minimum of $15,000 per month. The actual fee payable will be determined between the REIT Manager and the REIT Trustee from time to time.

(iii) Fees Payable to the REIT Manager

Management Fees Payable to the REIT Manager

Pursuant to Clause 15.1 of the VI-REIT Trust Deed, the REIT Manager is entitled to the following management fees:

- a REIT Base Fee, being a fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the Distributable Income of VI-REIT (as defined in the VI-REIT Trust Deed) (calculated before accounting for the REIT Base Fee and the REIT Performance Fee); and

- a REIT Performance Fee, being a fee equal to a rate of 25.0% per annum of the difference in DPS of VIT in a financial year with the DPS of VIT in the preceding financial year (calculated before accounting for the REIT Performance Fee and the BT Performance Fee but after accounting for the REIT Base Fee and the BT Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

1 GENERAL (CONT'D)

(iii) Fees Payable to the REIT Manager (cont'd)

Management Fees Payable to the REIT Manager (cont'd)

The REIT Performance Fee is payable if the DPS of VIT in respect of a financial year exceeds the DPS of VIT in the preceding financial year, notwithstanding that the DPS of VIT in the financial year where the REIT Performance Fee is payable may be less than the DPS of VIT in any financial year prior to the preceding financial year.

There should be no double-counting of fees in the event that both the REIT Manager and the Trustee-Manager are entitled to the Base Fee and the Performance Fee. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of VI-REIT and VI-BT in the Performance Fee. For the avoidance of doubt, the maximum Base Fee payable to both the REIT Manager and the Trustee-Manager collectively is 10.0% per annum of the Distributable Income of VIT and the maximum Performance Fee payable to both the REIT Manager and the Trustee-Manager collectively is 25.0% per annum of the difference in DPS of VIT in a financial year compared to the DPS of VIT in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year.

The REIT Manager may elect to receive the REIT Base Fee and the REIT Performance Fee in cash or Stapled Securities or a combination of cash and Stapled Securities (as it may in its sole discretion determine).

Any portion of the REIT Base Fee payable in the form of Stapled Securities shall be payable quarterly in arrears and any portion of the REIT Base Fee payable in cash shall be payable monthly in arrears. The REIT Performance Fee crystallises only once a year and shall be payable annually in arrears.

Acquisition Fee and Divestment Fee Payable to the REIT Manager

Pursuant to Clause 15.2 of the VI-REIT Trust Deed, the REIT Manager is also entitled to:

– an acquisition fee at the rate of 1.0% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) in relation to an acquisition (whether directly or indirectly through one or more SPVs of VI-REIT) of any real estate, the acquisition price of any real estate purchased by VI-REIT, plus any other payments in addition to the acquisition price made by VI-REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of VI-REIT's interest);

  (ii) in relation to an acquisition (whether directly or indirectly through one or more SPVs of VI-REIT) of any SPV or holding entity which holds real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the acquisition from the vendor of the equity interests in any vehicle holding, directly or indirectly, the real estate purchased by VI-REIT, plus any additional payments made by VI-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of VI-REIT's interest); or

1 GENERAL (CONT'D)

(iii) Fees Payable to the REIT Manager (cont'd)

Acquisition Fee and Divestment Fee Payable to the REIT Manager (cont'd)

(iii) the acquisition price of any investment by VI-REIT, whether directly or indirectly through one or more SPVs of VI-REIT, in any debt securities of any property corporation or other SPV owning or acquiring real estate.

– a divestment fee at the rate of 0.5% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

(i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by VI-REIT (plus any other payments in addition to the sale price received by VI-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated if applicable to the proportion of VI-REIT's interest);

(ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding, directly or indirectly, the real estate being sold or divested, whether directly or indirectly through one or more SPVs, by VI-REIT (plus any additional payments received by VI-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated if applicable to the proportion of VI-REIT's interest); or

(iii) the sale price of any investment sold or divested by VI-REIT, whether directly or indirectly through one or more SPVs of VI-REIT, in any debt securities of any property corporation or other SPVs owning or acquiring real estate.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of VI-REIT shall be paid by the REIT Manager out of the VI-REIT Deposited Property and not by the REIT Manager to such persons.

The acquisition fee and divestment fee are payable to the REIT Manager in the form of cash and/or Stapled Securities (as the REIT Manager may elect) provided that in respect of any acquisition and sale or divestment of real estate assets from/to related parties, such a fee shall be in the form of Stapled Securities at prevailing market price(s) instead of cash. The Stapled Securities issued to the REIT Manager as its acquisition or divestment fee shall not be sold within one year from the date of their issuance.

Development Management Fee Payable to the REIT Manager

Pursuant to Clause 15.6 of the VI-REIT Trust Deed, the REIT Manager is entitled to a development management fee equivalent to 3.0% of the Total Project Costs (as defined in the VI-REIT Trust Deed) incurred in a Development Project (as defined in the VI-REIT Trust Deed) undertaken by the REIT Manager on behalf of VI-REIT.

Subject to the Property Funds Appendix, the development management fee shall be payable to the REIT Manager in the form of cash. The development management fee is payable in equal monthly instalments over the construction period of each Development Project based on the REIT Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs is finalised. For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project.

1 GENERAL (CONT'D)

(iv) Property Manager's fee

Property and lease management fees

Under the property management agreement dated 14 October 2013 (the "Property Management Agreement") between VI-REIT and Viva Real Estate Asset Management Pte. Ltd. (the "Property Manager"), the Property Manager is entitled to the following management fees on each property of VI-REIT located in Singapore under its management:

- a property management fee of 2.0% per annum of the gross revenue of each property, except for the Hotel Leased Premises of UE BizHub EAST for which property management fee is based on 1.0% per annum of its gross revenue; and

- a lease management fee of 1.0% per annum of the gross revenue of each property, except for the Hotel Leased Premises of UE BizHub EAST for which no lease management fee is payable to the Property Manager.

The Property Manager has waived its right to the lease management fee in respect of UE BizHub EAST and Mauser Singapore for the first three years from the Listing Date.

The Property Manager may elect to receive the property and lease management fees in cash or Stapled Securities or a combination of cash and Stapled Securities (as it may in its sole discretion determine). Any portion of the fees payable in the form of Stapled Securities shall be payable quarterly in arrears and any portion of the fees payable in cash shall be payable monthly in arrears.

Marketing services fee

The Property Manager is entitled to the following marketing services commissions:

- up to one month's gross rent inclusive of service charge, for securing a tenancy of three years or less;

- up to two months' gross rent inclusive of service charge, for securing a tenancy of more than three years;

- up to 0.5 month's gross rent inclusive of service charge, for securing a renewal of tenancy of three years or less; and

- up to one month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than three years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commission payable to such third party agent, and the Property Manager will be entitled to the following marketing services commissions:

- up to 1.2 months' gross rent inclusive of service charge, for securing a tenancy of three years or less; and

- up to 2.4 months' gross rent inclusive of service charge, for securing a tenancy of more than three years.

The marketing services fee is payable to the Property Manager in cash.

1 GENERAL (CONT'D)

(iv) Property Manager's fee (cont'd)

Project management fee

The Property Manager is entitled to the following fees in relation to the refurbishment, retrofitting and renovation works on a property:

– a fee of 3.0% of the construction costs, where the construction costs are $2.0 million or less;

– a fee of 2.0% of the construction costs or $60,000, whichever is the higher, where the construction costs exceed $2.0 million but do not exceed $20.0 million;

– a fee of 1.5% of the construction costs or $400,000, whichever is the higher, where the construction costs exceed $20.0 million but do not exceed $50.0 million; and

– a fee of 1.4% of the construction costs or $750,000, whichever is the higher, where the construction costs exceed $50.0 million.

The project management fee is payable to the Property Manager in cash.

Property tax services fee

In relation to the services provided in respect of property tax objections submitted to the tax authorities on any proposed annual value of a property, the Property Manager is entitled to the following fees if as a result of such objections, the proposed annual value of a property is reduced, resulting in property tax savings for VI-REIT:

– if the proposed annual value is reduced by $1.0 million or less, 7.5% of the property tax savings;

– if the proposed annual value is reduced by more than $1.0 million but less than $5.0 million, 5.5% of the property tax savings; and

– if the proposed annual value is reduced by more than $5.0 million, 5.0% of the property tax savings.

The property tax services fee is payable to the Property Manager in cash.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of VI-BT are prepared in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "Act") and Financial Reporting Standards in Singapore ("FRS").

The consolidated financial statements of VI-REIT Group and the Stapled Group are prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the VI-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of FRS.

2 BASIS OF PREPARATION (CONT'D)

2.2 Basis of accounting

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Stapled Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the functional currency of VI-BT and VI-REIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the accounting policies

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amount recognised in the financial statements, apart from those involving estimation (see below).

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Key sources of estimation uncertainty

(a) Valuation of investment properties

The Stapled Group carries its investment properties at fair value, with changes in fair values being recognised in the statement of total return. The fair values of investment properties are determined by independent real estate valuation experts using recognised valuation techniques. The determination of the fair values of the investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery and the overall physical condition of the properties) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of each reporting period. The carrying amounts and key assumptions used to determine the fair values of the investment properties are further explained in Note 5 and Note 27. The REIT Manager is of the view that the valuation methods and estimates are reflective of the current market conditions.

(b) Valuation of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined by valuation models. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported fair values of financial instruments. The valuation of financial instruments is described in more details in Note 12 and Note 27.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by VI-BT, VI-REIT Group and the Stapled Group consistently to the periods presented in these financial statements.

3.1 Consolidation

Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the purchase method except where the entities entering into the stapling arrangement are entities under common control, in which case, the stapling arrangement is accounted for as a business combination under common control, in a manner similar to the pooling of interest method.

Subsidiary

A subsidiary is an entity controlled by VI-REIT Group. VI-REIT Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of VI-REIT Group and the Stapled Group.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Stapled Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate prevailing at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of total return.

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return or profit or loss (as the case may be). The cost of a purchased property comprises its purchase price and any directly attributable expenditure including transaction costs. The fair values of investment properties are determined based on the valuations undertaken by independent registered valuers at least once a year.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property) is recognised in the statement of total return in the period in which the investment property is derecognised.

Investment properties are not depreciated. Investment properties are subject to continued maintenance and are regularly revalued on the basis set out above.

3.4 Intangible assets

Intangible assets are measured initially at cost. Following the initial recognition, the intangible assets are measured at cost less any accumulated amortisation and impairment losses.

The intangible assets are amortised in the statement of total return on a systematic basis over their estimated useful lives of two years and five years. The intangible assets are tested for impairment as described in Note 3.6.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments

Financial assets and financial liabilities are recognised when the Stapled Group becomes a party to the contractual provisions of the instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Interest income or expense is recognised on an effective interest basis for debt instruments.

Non-derivative financial assets

Financial assets are initially measured at fair value. Transaction costs, including front-end fees and commitment fees, that are directly attributable to the acquisition or issue of financial assets (other than financial assets designated at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement of total return or profit or loss (as the case may be).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. The Stapled Group initially recognises loans and receivables on the date that they are originated. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest is recognised by applying the effective interest method, except for short-term receivables where the effect of discounting is immaterial.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash and bank balances that are subject to an insignificant risk of changes in value.

Derecognition of financial assets

The Stapled Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Stapled Group is recognised as a separate asset or liability.

If the Stapled Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, the Stapled Group recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the Stapled Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Stapled Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

Non-derivative financial liabilities

The Stapled Group initially recognises financial liabilities (including liabilities designated at fair value through statement of total return or profit or loss (as the case may be)) on the trade date, which is the date that the Stapled Group becomes a party to the contractual provisions of the instrument.

The Stapled Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise borrowings, trade and other payables, and rental deposits.

Borrowing

Borrowing is initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to expenses over the period of borrowing using the effective interest method.

Borrowing is presented as a current liability unless the Stapled Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case, they are presented as non-current liabilities.

Derecognition of financial liabilities

The Stapled Group derecognises a financial liability when its contractual obligations are discharged or cancelled or when they expire.

Derivative financial instruments

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return or profit or loss (as the case may be) when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the statement of total return or profit or loss (as the case may be). Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivatives are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return or profit or loss (as the case may be).

Offsetting arrangement

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Stapled Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

Equity instruments

Classification as debt or equity

Debt and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Stapled Group entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

3.6 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through the statement of total return or profit or loss (as the case may be) is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Stapled Group on terms that the Stapled Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Stapled Group considers evidence of impairment for loans and receivables at specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Stapled Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

Loans and receivables (cont'd)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return or profit or loss (as the case may be) and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Stapled Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return or profit or loss (as the case may be) not exceeding what the amortised cost would have been had the impairment not been recognised.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Non-financial assets

The carrying amounts of the Stapled Group's non-financial assets, other than investment properties, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return or profit or loss (as the case may be).

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Unitholders' funds

Unitholders' funds of the Stapled Group comprise unitholders' funds of VI-BT and VI-REIT Group. Unitholders' funds are classified as equity.

Issue expenses relate to expenses incurred in connection with the issue of Stapled Securities and are deducted directly against the unitholders' funds.

3.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services and facilities provided in the ordinary course of business, net of discount.

Rental income from operating leases

Rental income from operating leases is recognised in the statement of total return or profit or loss (as the case may be) on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Variable rentals are recognised as income in the accounting period in which they are earned and the amount can be measured reliably.

Service charges and other income

Service charges and other income, which consist of payments in respect of the operation of the properties which are payable by the tenants, are recognised as income when the services and facilities are provided.

3.9 Finance income and finance expense

Finance income comprises interest income and net gains on hedging instruments that are recognised in the statement of total return or profit or loss (as the case may be). Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings, amortisation of debt-related transaction costs, and net losses on hedging instruments that are recognised in the statement of total return or profit or loss (as the case may be). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of total return or profit or loss (as the case may be) using the effective interest method.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return or profit or loss (as the case may be) except to the extent that they relate to items recognised directly in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Tax (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Stapled Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Stapled Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Stapled Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Stapled Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of VI-REIT for income earned and expenditure incurred after its listing on SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes the distribution of at least 90% of VI-REIT's taxable income, VI-REIT will not be taxed on the portion of its taxable income that is distributed to holders of VI-REIT Units ("Unitholders"). Any portion of VI-REIT's taxable income that is not distributed to Unitholders will be taxed at VI-REIT's level. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of VI-REIT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Although VI-REIT is not taxed on the portion of its taxable income that is distributed to Unitholders, the REIT Trustee and the REIT Manager are required to withhold income tax at the applicable corporate tax rates from the distributions of such taxable income (i.e. which has not been taxed in the hands of the REIT Trustee) to certain Unitholders.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Tax (cont'd)

Qualifying Unitholders are entitled to receive gross distributions of taxable income from VI-REIT. For distributions of VI-REIT's taxable income made to qualifying non-resident non-individual Unitholders during the period up to 31 March 2020, the REIT Trustee and the REIT Manager are required to withhold income tax at the reduced concessionary tax rate of 10% from such distributions made. For other types of Unitholders, the REIT Trustee and the REIT Manager are required to withhold income tax at the prevailing corporate tax rate from the distributions of taxable income made by VI-REIT. Such other types of Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate by the REIT Trustee.

A qualifying Unitholder refers to a unitholder who is:

- an individual;
- a company incorporated and resident in Singapore;
- a Singapore branch of a company incorporated outside Singapore;
- a body of persons incorporated or registered in Singapore, including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333); or
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

A qualifying non-resident non-individual Unitholder refers to a unitholder who:

- does not have any permanent establishment in Singapore; or
- carries on any operation through a permanent establishment in Singapore, where the funds used by that person to acquire the units in VI-REIT are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from the disposal of any properties such as immovable properties and shares that are determined by the IRAS to be revenue gains chargeable to tax; and income derived by VI-REIT but not distributed to the Unitholders in the same year in which the income is derived. Such gains or profits will be subject to tax in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134) and the resultant tax will be collected from the REIT Trustee.

Distributions made out of after-tax amounts will not be subject to any further tax. Where the disposal gains are regarded as capital in nature, such gains will not be subject to tax and the REIT Trustee and the REIT Manager may distribute the capital gains without tax being deducted at source.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Segment reporting

An operating segment is a component of the Stapled Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that arise from transactions with any of the other components of the Stapled Group. All operating segments' operating results are reviewed regularly by the Board of Directors of the REIT Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.12 Adoption of new and revised standards

On 1 January 2017, the Stapled Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Stapled Group's accounting policies and has no material effect on the amounts reported for the current or prior years, except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*. Please refer to Note 9 for the disclosure of reconciliation of liabilities arising from financing activities.

3.13 New standards and interpretations not adopted

At the date of authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the Stapled Group were issued but not effective:

- FRS 109 *Financial Instruments* [(1)]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* [(1)]
- FRS 116 *Leases* [(2)]
- Amendments to FRS 40 *Transfers of Investment Property* [(1)]

[(1)] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

[(2)] Applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities; (ii) general hedge accounting; and (iii) impairment requirements for financial assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 New standards and interpretations not adopted (cont'd)

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt instruments and equity investments are measured at fair value through profit or loss ("FVTPL") at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The REIT Manager has evaluated the potential impact of the application of FRS 109 on the financial statements of the Stapled Group in the period of initial adoption and does not expect significant impact from adopting the above standard other than additional disclosure requirements.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 New standards and interpretations not adopted (cont'd)

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

The REIT Manager has evaluated the potential impact of the application of FRS 115 on the financial statements of the Stapled Group in the period of initial adoption and does not expect significant impact from adopting the above standard other than additional disclosure requirements.

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance. The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

In cases where the Stapled Group is a lessor, the REIT Manager does not anticipate that the application of FRS 116 on the financial statements of the Stapled Group in the period of initial adoption will have a significant impact from adopting the standard other than additional disclosure requirements.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 New standards and interpretations not adopted (cont'd)

Amendments to FRS 40 *Transfers of Investment Property*

The amendments:

- retain the requirement that a transfer into, or out of, investment property can be made when, and only when, evidence of a change of use of the property exists.
- clarify that the current list of events in the Standard constituting evidence of a change of use has occurred are only examples.

The REIT Manager has evaluated the potential impact of the application of the amendments to FRS 40 on the financial statements of the Stapled Group in the period of initial adoption and does not expect significant impact from adopting the above amendments.

4 SUBSIDIARY

Investment in a subsidiary is stated in VI-REIT's statement of financial position at cost less accumulated impairment losses.

	VI-REIT	
	2017	2016
	$'000	$'000
Unquoted equity investment, at cost	*	*

* Denotes an amount of $1

Details of the subsidiary are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held	
			2017	2016
			%	%
Held through VI-REIT				
Viva iTrust MTN Pte. Ltd.*	To establish and act as the issuer of a MTN Programme	Singapore	100	100

* Audited by Deloitte & Touche LLP

5 INVESTMENT PROPERTIES

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
At beginning of the year	1,199,700	1,123,200	1,199,700	1,123,200	–	–
Acquisition of investment property	95,339	51,653	95,339	51,653	–	–
Acquisition related costs	979	582	979	582	–	–
	96,318	52,235	96,318	52,235	–	–
Stamp duty	311	156	311	156	–	–
Capital expenditure	8,828	23,937	8,828	23,937	–	–
Change in fair value	(20,457)	172	(20,457)	172	–	–
At end of the year	1,284,700	1,199,700	1,284,700	1,199,700	–	–

The investment properties are stated at fair value based on the independent valuations undertaken by Cushman & Wakefield VHS Pte. Ltd. as at 31 December 2017. Valuations of the investment properties as at 31 December 2016 were undertaken by Savills Valuation and Professional Services (S) Pte Ltd. The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

In determining the fair values of the investment properties, the independent valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The fair values of the properties are based on open market values, which are the valuers' opinion of the best price at which the sale of an interest in each property would complete unconditionally for cash consideration on the date of valuation, and are prepared in accordance with recognised appraisal and valuation standards. The valuers have considered the direct comparison method, income capitalisation method and discounted cash flow method in arriving at the open market values of the properties. The key unobservable inputs are disclosed in Note 27 to the financial statements.

The net change in fair value of the investment properties has been recognised in the statement of total return in accordance with the accounting policies of the Stapled Group.

At the end of the reporting period, investment properties with an aggregate carrying amount of $1,178,100,000 (2016: $1,086,300,000) are pledged as security to secure borrowings (see Note 10).

6 INTANGIBLE ASSETS

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cost						
At beginning and end of the year	18,300	18,300	18,300	18,300	–	–
Accumulated amortisation						
At beginning of the year	12,222	8,922	12,222	8,922	–	–
Amortisation	3,300	3,300	3,300	3,300	–	–
At end of the year	15,522	12,222	15,522	12,222	–	–
Carrying amount						
At beginning of the year	6,078	9,378	6,078	9,378	–	–
At end of the year	2,778	6,078	2,778	6,078	–	–

Intangible assets represent the contractual rights of VI-REIT to receive payments from the respective vendors of UE BizHub EAST and Viva Business Park, which are determined in accordance with the respective sale and purchase agreements entered into with the respective vendors, net of accumulated amortisation and impairment losses. The rental differential is amortised on a straight-line basis over the respective rental guarantee periods of five years for the Business Park component of UE BizHub EAST and two years for Viva Business Park, commencing from the Listing Date. The intangible assets pertaining to Viva Business Park had been fully amortised as at 31 December 2015.

7 TRADE AND OTHER RECEIVABLES

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade receivables	2,011	980	2,011	980	–	–
Other receivables	618	650	618	650	–	–
	2,629	1,630	2,629	1,630	–	–
Refundable deposits	874	824	874	824	–	–
Property tax recoverable from third parties	4,757	5,241	4,757	5,241	–	–
Loans and receivables	8,260	7,695	8,260	7,695	–	–
Accrued revenue	6,015	4,422	6,015	4,422	–	–
Prepayments and deferred expenses	7,170	5,549	7,170	5,549	–	–
	21,445	17,666	21,445	17,666	–	–

The REIT Manager is of the opinion that there is no impairment loss arising from these outstanding balances.

7 TRADE AND OTHER RECEIVABLES (CONT'D)

The aging of trade and other receivables, which were not impaired, at the end of the reporting period was as follows:

	Gross 2017 $'000	Gross 2016 $'000
VI-REIT Group and Stapled Group		
Less than 3 months	2,321	1,420
More than 3 months but less than 6 months	192	103
More than 6 months but less than 12 months	3	101
More than 12 months	113	6
Past due but not impaired	2,629	1,630

8 CASH AND CASH EQUIVALENTS

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash at bank	8,242	19,462	8,214	19,428	28	34
Fixed deposits	1,230	11,000	1,230	11,000	–	–
	9,472	30,462	9,444	30,428	28	34
Less: Pledged deposits	(1,230)	(1,000)	(1,230)	(1,000)	–	–
Cash and cash equivalents in statement of cash flows	8,242	29,462	8,214	29,428	28	34

Fixed deposits bear interest at fixed rates ranging from 0.35% to 1.20% (2016: 0.50% to 1.45%) per annum, with tenures ranging from 90 days to 1 year (2016: 7 days to 1 year).

Deposits pledged represent bank balances pledged as security to obtain credit facilities (See Note 10).

9 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Stapled Group's and VI-REIT Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Stapled Group's and VI-REIT Group's statement of cash flows as cash flows from financing activities.

	1 January 2017 $'000	Financing cash flows (i) $'000	Amortisation of debt-related transaction costs $'000	Fair value adjustments (Note 12) $'000	31 December 2017 $'000
VI-REIT Group and Stapled Group					
Interest-bearing borrowings (Note 10)	461,509	57,153	1,882	–	520,544
Derivative financial instruments (Note 12)	1,778	–	–	811	2,589
	463,287	57,153	1,882	811	523,133

(i) The cash flows make up the net amount of (a) proceeds from borrowings; (b) repayment of borrowings; and (c) payment of transaction costs on borrowings in the statements of cash flows.

10 INTEREST-BEARING BORROWINGS

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Secured borrowings	425,000	367,000	425,000	367,000	–	–
Less: Unamortised debt-related transaction costs	(4,226)	(4,946)	(4,226)	(4,946)	–	–
	420,774	362,054	420,774	362,054	–	–
Unsecured borrowings	100,000	100,000	100,000	100,000	–	–
Less: Unamortised debt-related transaction costs	(230)	(545)	(230)	(545)	–	–
	99,770	99,455	99,770	99,455	–	–
Total borrowings (net of transaction costs)	520,544	461,509	520,544	461,509	–	–
Maturity of borrowings						
– Current	99,770	–	99,770	–	–	–
– Non-current	420,774	461,509	420,774	461,509	–	–
	520,544	461,509	520,544	461,509	–	–

10 INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Year of maturity		Face value		Carrying amount	
	2017	2016	2017 $'000	2016 $'000	2017 $'000	2016 $'000
VI-REIT Group and Stapled Group						
Secured borrowings						
Term Loan Facility I (i)						
– Term loan facility A	2020	2020	140,000	140,000	138,911	138,393
– Term loan facility B	2021	2021	140,000	140,000	138,413	137,898
– Revolving Credit Facility	2020	2020	15,000	14,000	14,612	13,427
Term Loan Facility II (ii)	2020	2020	73,000	73,000	72,506	72,336
Term Loan Facility III (iii)	2022	–	22,000	–	21,738	–
Term Loan Facility IV (iv)	2022	–	35,000	–	34,594	–
Unsecured borrowings						
Medium Term Notes	2018	2018	100,000	100,000	99,770	99,455
			525,000	467,000	520,544	461,509

Secured borrowings

(i) VI-REIT Group has in place a Singapore dollar denominated senior 4-year secured term loan facility A and a Singapore dollar denominated senior 5-year secured term loan facility B, each amounting to $140 million (2016: $140 million), from a syndicate of lenders (the "Syndicated Lenders") (the "Term Loan Facilities"). In addition, VI-REIT Group has in place a committed revolving credit facility of $50 million (2016: $50 million) from the Syndicated Lenders (the "Revolving Credit Facility", together with the Term Loan Facilities, the "Term Loan Facility I").

The Term Loan Facility I bears interest at rates based on the aggregate of a margin plus Singapore dollar Swap Offer Rate ("SOR") per annum and is secured by way of the following:

- mortgages over UE BizHub EAST, Viva Business Park and Mauser Singapore (the "Term Loan Facility I Mortgaged Properties");
- a debenture creating fixed and floating charges on all present and future assets in relation to the Term 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 Term Loan Facility I Mortgaged Properties;

10 INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule (cont'd)

- 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 Group is entitled to receive from the Term Loan Facility I Mortgaged Properties; and

- an assignment of all insurance policies (including insurance proceeds) in relation to the Term Loan Facility I Mortgaged Properties.

At the end of the reporting period, $280 million (2016: $280 million) in aggregate of the Term Loan Facilities has been fully drawn down and $15 million (2016: $14 million) of the Revolving Credit Facility has been utilised.

(ii) VI-REIT Group has in place a Singapore dollar denominated senior 5-year secured bilateral term loan facility amounting to $73 million (2016: $73 million) (the "Term Loan Facility II").

The Term Loan Facility II bears interest at a rate which is based on the aggregate of a margin plus SOR per annum and 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 Home-Fix Building (11 Ubi Road 1 and Home-Fix Building collectively known as the "Term Loan Facility II Mortgaged Properties");

- a debenture creating fixed and floating charges on all present and future assets in relation to the Term Loan Facility II Mortgaged Properties;

- an assignment of the relevant lease agreements and acquisition agreements in relation to the Term 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 Term Loan Facility II Mortgaged Properties;

- charges over the rental proceeds accounts and a sale proceeds account in relation to the Term Loan Facility II Mortgaged Properties; and

- a charge over a fixed deposit of $1.0 million (2016: $1.0 million) (Note 8).

At the end of the reporting period, the Term Loan Facility II of $73 million (2016: $73 million) has been fully drawn down.

(iii) VI-REIT Group has in place a Singapore dollar denominated senior 5-year secured bilateral term loan facility amounting to $22 million (2016: $22 million) (the "Term Loan Facility III").

10 INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule (cont'd)

The Term Loan Facility III bears interest at a rate which is based on the aggregate of a margin plus SOR per annum and 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.

At the end of the reporting period, the Term Loan Facility III of $22 million (2016: $Nil) has been fully drawn down.

(iv) VI-REIT Group has in place a Singapore dollar denominated senior 5-year secured bilateral term loan facility amounting to $35 million (2016: $Nil) (the "Term Loan Facility IV", and together with Term Loan Facility I, Term Loan Facility II and Term Loan Facility III, the "Credit Facilities").

The Term Loan Facility IV bears interest at a rate which is based on the aggregate of a margin plus SOR per annum and 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 of $230,000 (2016: $Nil) (Note 8) as at the end of the reporting period.

At the end of the reporting period, the Term Loan Facility IV of $35 million (2016: $Nil) has been fully drawn down.

Interest rates of the outstanding Credit Facilities are repriced on a monthly or quarterly basis. VI-REIT Group has entered into interest rate swaps to fix the interest rates for 80.7% (2016: 87.2%) of the outstanding Credit Facilities as at the end of the reporting period (see Note 12).

10 INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule (cont'd)

Unsecured borrowings

On 28 August 2014, VI-REIT, through its wholly-owned subsidiary, Viva iTrust MTN Pte. Ltd. (the "Issuer"), established a $500 million Multicurrency MTN Programme (the "MTN Programme"). Under the MTN Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the "Notes") denominated in Singapore dollars and/or any other currencies.

The Notes may be issued in one or more tranches, on the same or different issue dates. Each tranche of Notes may be issued in various amounts and tenors, and may bear fixed, floating, or variable rates of interest. Hybrid Notes or zero coupon Notes may also be issued under the MTN Programme. The maximum aggregate principal amount of the Notes outstanding at any time shall be $500 million, or such higher amount as may be determined pursuant to the MTN Programme.

The payment of all amounts payable in respect of the Notes will be unconditionally and irrevocably guaranteed by the REIT Trustee, as guarantor of the MTN Programme.

On 19 September 2014, the Issuer issued $100 million in principal amount of 4-year Singapore dollar fixed rate Notes comprised in series 001 (the "Series 001 Notes") under its 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, and will mature on 18 September 2018. The Issuer has on-lent the proceeds from the issuance of the Series 001 Notes to VI-REIT, which in turn used such proceeds to partially finance the acquisition of two investment properties, namely Jackson Square and Jackson Design Hub.

At the end of the reporting period, both the MTN Programme and the Series 001 Notes have been assigned a credit rating of "Ba2" (2016: "Ba2") by Moody's Investors Service.

At the end of the reporting period, the weighted average effective interest rate of the outstanding borrowings (including the margins charged on the Credit Facilities and the amortisation of debt-related transaction costs) is 3.90% (2016: 3.99%) per annum, and the total borrowings (excluding the Revolving Credit Facility) have a weighted average maturity period of 2.5 years (2016: 3.2 years).

11 TRADE AND OTHER PAYABLES

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Non-current liabilities						
Trade and other payables:						
Security and other deposits	8,700	7,986	8,700	7,986	–	–
Current liabilities						
Trade and other payables:						
– third parties	4,327	3,956	4,322	3,950	5	6
– related party (Note 26)	5,313	15,500	5,313	15,500	–	–
– the REIT Manager (Note 26)	119	104	119	104	–	–
– the REIT Trustee (Note 26)	49	46	49	46	–	–
– the Property Manager (Note 26)	681	964	681	964	–	–
GST payable	1,386	750	1,386	750	–	–
Finance costs payable	3,012	2,860	3,012	2,860	–	–
Security and other deposits	2,917	3,995	2,917	3,995	–	–
Rental received in advance	905	835	905	835	–	–
Property tax payable	10,062	9,632	10,062	9,632	–	–
Accrued operating expenses	1,413	664	1,413	664	–	–
Accrued capital expenditure	5,180	–	5,180	–	–	–
	35,364	39,306	35,359	39,300	5	6

Outstanding balances with the REIT Manager, REIT Trustee, Property Manager and a related party are unsecured, interest-free and are repayable on demand.

Included in security and other deposits is an amount of $49,000 (2016: $48,000) received from the REIT Manager.

12 DERIVATIVE FINANCIAL INSTRUMENTS

	Stapled Group				VI-REIT Group				VI-BT			
	2017		2016		2017		2016		2017		2016	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Interest rate swaps												
Current	–	113	–	–	–	113	–	–	–	–	–	–
Non-current	–	2,476	–	1,778	–	2,476	–	1,778	–	–	–	–
	–	2,589	–	1,778	–	2,589	–	1,778	–	–	–	–

VI-REIT Group and the Stapled Group use interest rate swaps to manage their exposures to interest rate movements on the floating rate interest-bearing borrowings by swapping the interest expense on such borrowings from floating rates to fixed rates.

At the end of the reporting period, VI-REIT Group and the Stapled Group have entered into interest rate swap contracts with a total notional amount of $343 million (2016: $320 million) to provide fixed rate funding for approximately 1.0 year (2016: 2.0 years). Under these interest rate swap contracts, VI-REIT Group and the Stapled Group pay interest at a weighted average fixed interest rate of 1.83% (2016: 1.86%) per annum and receive interest based on SOR.

13 STAPLED SECURITIES/UNITS ISSUED AND ISSUABLE

A Stapled Security comprises one unit of VI-REIT and one unit of VI-BT stapled together under the terms of the Stapling Deed.

	Stapled Group		VI-REIT		VI-BT	
	2017	2016	2017	2016	2017	2016
	Number of Stapled Securities		Number of Units		Number of Units	
Stapled Securities/ Units issued						
At beginning of the year	931,405,379	860,615,215	931,405,379	860,615,215	931,405,379	860,615,215
Issue of new Stapled Securities/Units:						
– pursuant to private placement	–	60,811,000	–	60,811,000	–	60,811,000
– as partial payment of the purchase consideration for the acquisition of an investment property	30,483,700	–	30,483,700	–	30,483,700	–
– as payment of REIT Manager's fees	7,574,865	7,437,412	7,574,865	7,437,412	7,574,865	7,437,412
– as payment of Property Manager's fees	3,194,297	2,541,752	3,194,297	2,541,752	3,194,297	2,541,752
At end of the year	972,658,241	931,405,379	972,658,241	931,405,379	972,658,241	931,405,379
Stapled Securities/ Units issuable						
REIT Manager's fees payable in Stapled Securities/Units	3,100,366	1,898,457	3,100,366	1,898,457	3,100,366	1,898,457
Property Manager's fees payable in Stapled Securities/Units	–	786,548	–	786,548	–	786,548
	3,100,366	2,685,005	3,100,366	2,685,005	3,100,366	2,685,005
Total issued and issuable Stapled Securities/ Units at end of the year	975,758,607	934,090,384	975,758,607	934,090,384	975,758,607	934,090,384

For the year ended 31 December 2017, the following were issued:

- 30,483,700 new Stapled Securities were issued on 16 January 2017 at an issue price of $0.7545 per Stapled Security as partial payment of the purchase consideration for the acquisition of 6 Chin Bee Avenue.
- 7,574,865 new Stapled Securities, amounting to approximately $6,338,000, were issued to the REIT Manager at issue prices ranging from $0.7566 to $0.9426 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's fees.

13 STAPLED SECURITIES/UNITS ISSUED AND ISSUABLE (CONT'D)

- 3,194,297 new Stapled Securities, amounting to approximately $2,676,000, were issued to the Property Manager at issue prices ranging from $0.7566 to $0.9426 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the Property Manager's fees.

For the year ended 31 December 2016, the following were issued:

- 60,811,000 new Stapled Securities were issued on 7 November 2016 at an issue price of $0.74 per Stapled Security pursuant to a private placement. Stapled Securityholders on the register with the Central Depository (Pte) Limited on 6 November 2016 received an advanced distribution on 28 November 2016, of 0.728 cents per Stapled Security in respect of the period from 1 October 2016 to 6 November 2016. Thereafter, the 60,811,000 new Stapled Securities rank pari passu in all respects with the Stapled Securities in issue prior to 7 November 2016, including the entitlement to all future distributions.

- 7,437,412 new Stapled Securities, amounting to approximately $5,405,000, were issued to the REIT Manager at issue prices ranging from $0.7049 to $0.7817 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's fees.

- 2,541,752 new Stapled Securities, amounting to approximately $1,852,000, were issued to the Property Manager at issue prices ranging from $0.7049 to $0.7817 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the Property Manager's fees.

At the end of the reporting period, the following are issuable:

- 1,779,377 (2016: 1,898,457) new Stapled Securities, amounting to approximately $1,672,000 (2016: $1,436,000), are issuable to the REIT Manager at an issue price of $0.9398 (2016: $0.7566) per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's base fee attributable to VI-REIT's portfolio of properties excluding Jackson Square and Jackson Design Hub (for which the attributable base fee is paid in cash) for the calendar period from 1 October to 31 December for the respective financial period.

- 1,320,989 (2016: Nil) new Stapled Securities, amounting to approximately $1,242,000 (2016: $Nil), are issuable to the REIT Manager at an issue price of $0.9398 (2016: Nil) per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the REIT Manager's performance fee for the financial year ended 31 December 2017.

As at 31 December 2016, 786,548 new Stapled Securities, amounting to approximately $595,000 were issuable to the Property Manager at an issue price of $0.7566 per Stapled Security (as determined in accordance with the VI-REIT Trust Deed) as payment of the Property Manager's fees attributable to VI-REIT's portfolio of properties excluding Jackson Square and Jackson Design Hub (for which the attributable fees are paid in cash).

Each Stapled Security represents an undivided interest in VI-REIT and VI-BT. A holder of the Stapled Securities has no equitable or proprietary interest in the underlying assets of VI-REIT and VI-BT, and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of VI-REIT and VI-BT.

The liability of a holder of the Stapled Securities is limited to the amount paid or payable for the Stapled Securities.

Each Stapled Security carries one vote.

13 STAPLED SECURITIES/UNITS ISSUED AND ISSUABLE (CONT'D)

Capital management

The REIT Manager's key objective is to provide Stapled Securityholders with a competitive rate of return by ensuring stable distributions to Stapled Securityholders as well as long-term growth in distribution per Stapled Security and net asset value per Stapled Security, while maintaining an optimal capital structure.

The REIT Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and utilise interest rate and currency hedging strategies where appropriate to minimise exposure to market volatility and optimise risk-adjusted returns to Stapled Securityholders. With effect from 1 January 2016, the Aggregate Leverage of a property fund should not exceed 45% of the value of the property fund's deposited property regardless of the property fund's credit rating.

At the end of the reporting period, VI-REIT has been assigned a corporate credit rating of "Ba1" (2016: "Ba1") by Moody's Investors Service. The Aggregate Leverage of VI-REIT as at 31 December 2017 was 39.8% (2016: 37.2%) of its deposited property and remained within the Aggregate Leverage limit of 45% (2016: 45%) during the year.

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.

At the end of the reporting period, 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 Trustee-Manager.

14 NET ASSET VALUE PER STAPLED SECURITY/UNIT

	Stapled Group		VI-REIT Group		VI-BT	
	2017	2016	2017	2016	2017	2016
Net asset value per Stapled Security/Unit is calculated based on:						
Net assets ($'000)	746,572	738,947	746,549	738,919	23	28
Total number of issued and issuable Stapled Securities/Units ('000)	975,759	934,090	975,759	934,090	975,759	934,090
Net asset value per Stapled Security/Unit (cents)	76.512	79.109	76.510	79.106	0.002	0.003

15 GROSS REVENUE

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Property rental income	86,581	74,272	86,581	74,272	–	–
Services charges income	12,780	11,864	12,780	11,864	–	–
Other income	12,302	8,983	12,302	8,983	–	–
	111,663	95,119	111,663	95,119	–	–

16 PROPERTY EXPENSES

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Property Manager's fees paid/ payable in:						
– cash	1,050	363	1,050	363	–	–
– Stapled Securities	2,081	2,056	2,081	2,056	–	–
	3,131	2,419	3,131	2,419	–	–
Repair and maintenance expenses	8,684	9,645	8,684	9,645	–	–
Property tax expense	6,540	6,116	6,540	6,116	–	–
Insurance premium	111	147	111	147	–	–
Other property expenses	11,391	8,314	11,391	8,314	–	–
	29,857	26,641	29,857	26,641	–	–

17 RENTAL SUPPORT/RENTAL ARRANGEMENT

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
UE BizHub EAST rental arrangement (Note A below)	9,466	11,155	9,466	11,155	–	–
Jackson Square rental support arrangement (Note B below)	5,253	1,564	5,253	1,564	–	–
	14,719	12,719	14,719	12,719	–	–

Notes:

(A) UE BizHub EAST ("UEBH") rental arrangement

Pursuant to the sale and purchase agreement entered into between VI-REIT and the vendor of UEBH, United Engineers Developments Pte Ltd ("UED"), UED 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 per annum (the "Agreed Amount"). The duration of the UEBH rental arrangement is for a period of five years from the Listing Date. The Agreed Amount is $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 of the term. If the actual net rental income derived from UEBH (excluding the Hotel Leased Premises) is in excess of the Agreed Amount, VI-REIT shall pay the excess amount to UED.

17 RENTAL SUPPORT/RENTAL ARRANGEMENT (CONT'D)

(B) Jackson Square ("JS") rental support arrangement

Pursuant to the sale and purchase agreement entered into between VI-REIT and the vendor of Jackson Square, Jackson International Private Limited ("JIPL"), JIPL agreed to pay VI-REIT for the rental differential where the actual aggregate gross rental income derived from Jackson Square is less than $58 million over the rental support period of five years commencing from the date of acquisition of Jackson Square on 21 November 2014. If the actual aggregate gross rental income derived from Jackson Square is more than $58 million over the rental support period of five years, VI-REIT shall be entitled to the excess amount.

On 19 May 2017, VI-REIT entered into a settlement agreement with JIPL and Mr Tan Phong Guan (director and shareholder of JIPL) 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 $1.0 million and the proceeds of $3.9 million from the drawdown of the JS rental support bank guarantee (the "JS Rental Support Settlement"). The JS Rental Support Settlement amount of $4.9 million had been fully recognised as rental support during the year ended 31 December 2017.

18 REIT MANAGER'S FEES

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Base fees paid/payable in:						
– cash	927	696	927	696	–	–
– Stapled Securities	6,574	5,467	6,574	5,467	–	–
Performance fee payable in Stapled Securities	1,242	–	1,242	–	–	–
	8,743	6,163	8,743	6,163	–	–

19 OTHER TRUST EXPENSES

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Fees paid/payable to the Stapled Group's auditors:						
– audit fees	158	153	155	150	3	3
– non-audit fees	8	8	8	8	–	–
Valuation fees	42	76	42	76	–	–
Other expenses	1,260	840	1,258	837	2	3
	1,468	1,077	1,463	1,071	5	6

20 FINANCE EXPENSES

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Amortisation of debt-related transaction costs	1,882	1,821	1,882	1,821	–	–
Unamortised debt-related transaction costs written off	–	1,890	–	1,890	–	–
Debt prepayment and cancellation fees	–	801	–	801	–	–
Interest expense and loan commitment fee	18,606	17,157	18,606	17,157	–	–
	20,488	21,669	20,488	21,669	–	–

21 INCOME TAX EXPENSE

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Current tax expense	2,481	2,145	2,481	2,145	–	–
Reconciliation of effective tax rate						
Total return for the year before income tax	41,084	44,940	41,089	44,946	(5)	(6)
Tax calculated using Singapore tax rate of 17% (2016: 17%)	6,984	7,640	6,985	7,641	(1)	(1)
Non-tax deductible items	6,300	3,389	6,299	3,388	1	1
Non-taxable items	(270)	(306)	(270)	(306)	–	–
Tax transparency (Note 3.10)	(10,533)	(8,578)	(10,533)	(8,578)	–	–
	2,481	2,145	2,481	2,145	–	–

Tax treatment of the rental income support in respect of the UEBH rental arrangement

The IRAS had, on 11 October 2013, granted VI-REIT a provisional approval for tax transparency treatment to be accorded to the rental income support in respect of the UEBH rental arrangement, subject to certain conditions being met (the "Provisional Approval").

The IRAS had, on 23 April 2014, issued a letter to withdraw the aforesaid Provisional Approval. The withdrawal of the Provisional Approval by the IRAS has no financial impact on the financial statements of VI-REIT Group and the Stapled Group as such financial statements have been prepared on the basis that tax transparency treatment would not be applicable to the rental income support in respect of the UEBH rental arrangement. For the year ended 31 December 2017, VI-REIT Group and the Stapled Group made income tax provision of approximately $1,588,000 (2016: $1,879,000) in respect of the rental income support arising from the UEBH rental arrangement.

21 INCOME TAX EXPENSE (CONT'D)

Tax treatment of the rental income support in respect of the JS rental support arrangement

The IRAS had, on 16 April 2015, issued a letter to reject the application for tax transparency treatment to be accorded to the rental income support in respect of the JS rental support arrangement. Consequently, VI-REIT Group and the Stapled Group made income tax provision of approximately $893,000 (2016: $266,000) in respect of such rental income support for the year ended 31 December 2017.

22 EARNINGS AND DISTRIBUTION PER STAPLED SECURITY/UNIT

Earnings per Stapled Security/Unit

Basic earnings per Stapled Security/Unit is calculated based on:

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Total return for the year after income tax	38,603	42,795	38,608	42,801	(5)	(6)
	Number of Stapled Securities ('000)		Number of Units ('000)		Number of Units ('000)	
	('000)	('000)	('000)	('000)	('000)	('000)
Number of issued and issuable Stapled Securities/Units at beginning of the year	931,405	860,615	931,405	860,615	931,405	860,615
Effect of new Stapled Securities/ Units issued and issuable:						
– pursuant to private placement	–	9,138	–	9,138	–	9,138
– as partial payment of the purchase consideration for the acquisition of an investment property	29,231	–	29,231	–	29,231	–
– as payment of REIT Manager's fees	4,828	4,696	4,828	4,696	4,828	4,696
– as payment of Property Manager's fees	2,019	1,541	2,019	1,541	2,019	1,541
Weighted average number of issued and issuable Stapled Securities/Units during the year	967,483	875,990	967,483	875,990	967,483	875,990

Diluted earnings per Stapled Security/Unit is the same as the basic earnings per Stapled Security/Unit as there were no potential dilutive instruments in issue during the year.

22 EARNINGS AND DISTRIBUTION PER STAPLED SECURITY/UNIT (CONT'D)

Distribution per Stapled Security/Unit

Distribution per Stapled Security/Unit ("DPS"/"DPU") is calculated based on the amount of distribution declared for the financial year and the applicable number of Stapled Securities/Units which is either the number of Stapled Securities/Units in issue at the end of the financial year or the applicable number of Stapled Securities/Units in issue during the financial year.

	VI-REIT Group and Stapled Group	
	2017 $'000	2016 $'000
Amount of distribution declared for the year	72,305	60,938

	Number of Stapled Securities/Units	
	('000)	('000)
Applicable number of Stapled Securities/Units for the calculation of DPS/DPU	967,564	875,667

Without the effects of rental support/rental arrangement, the DPS/DPU for the year ended 31 December 2017 would be 6.442 cents (2016: 5.766 cents).

Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group for the current year are contributed solely by VI-REIT Group as VI-BT was inactive during the year. Accordingly, only the amount of distribution declared by VI-REIT Group has been included for the purpose of calculating the DPS.

23 OPERATING SEGMENTS

Business segments

The Stapled Group has four reportable business segments as follows:

- Business park
- Hotel
- Logistics
- Light industrial

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is presented in respect of the Stapled Group's business segments, based on its management and internal reporting structure.

Segment revenue comprises mainly income generated from tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the REIT Manager's fees, REIT Trustee's fees, amortisation expense, trust expenses, finance income/costs and change in fair value of derivative financial instruments and related assets and liabilities.

23 OPERATING SEGMENTS (CONT'D)

Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the REIT Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment relative to other entities that operate within the same industry.

Information about reportable segments

	Business park $'000	Hotel $'000	Logistics $'000	Light industrial $'000	Total $'000
Stapled Group					
Year ended 31 December 2017					
Gross revenue	67,436	9,009	13,827	21,391	111,663
Property expenses	(25,466)	(324)	(430)	(3,637)	(29,857)
Net property income	**41,970**	**8,685**	**13,397**	**17,754**	**81,806**
Rental support/rental arrangement	8,980	486	–	5,253	14,719
Reportable segment results	50,950	9,171	13,397	23,007	96,525
Unallocated items:					
– REIT Manager's fees					(8,743)
– REIT Trustee's fees					(194)
– Amortisation of intangible assets	(3,300)	–	–	–	(3,300)
– Other trust expenses					(1,468)
- Finance income					20
– Finance expenses					(20,488)
Net income					**62,352**
Change in fair value of investment properties	(7,328)	–	(4,210)	(8,919)	(20,457)
Change in fair value of derivative financial instruments					(811)
Total return for the year before income tax					**41,084**
Income tax expense					(2,481)
Total return for the year after income tax					**38,603**
At 31 December 2017					
Reportable segment assets	725,880	160,552	179,550	242,935	1,308,917
Unallocated assets					9,478
Total assets					**1,318,395**
Reportable segment liabilities	30,025	671	3,378	3,949	38,023
Unallocated liabilities					533,800
Total liabilities					**571,823**

23 OPERATING SEGMENTS (CONT'D)

	Business park $'000	Hotel $'000	Logistics $'000	Light industrial $'000	Total $'000
Stapled Group					
Year ended 31 December 2016					
Gross revenue	58,089	9,201	5,141	22,688	95,119
Property expenses	(22,586)	(337)	(148)	(3,570)	(26,641)
Net property income	**35,503**	**8,864**	**4,993**	**19,118**	**68,478**
Rental support/rental arrangement	10,875	280	–	1,564	12,719
Reportable segment results	46,378	9,144	4,993	20,682	81,197
Unallocated items:					
– REIT Manager's fees					(6,163)
– REIT Trustee's fees					(183)
– Amortisation of intangible assets	(3,300)	–	–	–	(3,300)
– Other trust expenses					(1,077)
- Finance income					55
– Finance expenses					(21,669)
Net income					**48,860**
Change in fair value of investment properties	(215)	–	2,718	(2,331)	172
Change in fair value of derivative financial instruments					(4,092)
Total return for the year before income tax					**44,940**
Income tax expense					(2,145)
Total return for the year after income tax					**42,795**
At 31 December 2016					
Reportable segment assets	728,223	160,021	84,183	250,916	1,223,343
Unallocated assets					30,563
Total assets					**1,253,906**
Reportable segment liabilities	35,435	881	949	4,581	41,846
Unallocated liabilities					473,113
Total liabilities					**514,959**

Geographical segments

Segment information by geographical area is not presented as all of the Stapled Group's assets are located in Singapore.

24 FINANCIAL RISK MANAGEMENT

Risk management is integral to the whole business of the Stapled Group. The Stapled Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Trustee-Manager and the REIT Manager continually monitor the Stapled Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Stapled Group's activities.

The Audit and Risk Committee of the REIT Manager oversees how the REIT Manager Board monitors compliance with the Stapled Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Stapled Group.

There has been no change to the Stapled Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or counterparty of the Stapled Group to settle its financial and contractual obligations, as and when they fall due.

Credit evaluations are performed before lease agreements are entered into with tenants. Rental deposits or bank guarantees are collected or obtained, where appropriate, to reduce credit risk. In addition, the REIT Manager monitors the balances due from tenants on an ongoing basis.

The tenant profile of the Stapled Group is generally well-diversified, except for one major tenant, which accounted for 65.5% (2016: 61.0%) of the trade receivables as at 31 December 2017.

The Stapled Group establishes an allowance for impairment, based on a specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Stapled Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with financial institutions which are reputable and regulated.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statement of financial position.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Stapled Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Trustee-Manager and the REIT Manager monitor the Stapled Group's liquidity risk and maintain a level of cash and cash equivalents deemed adequate to finance the Stapled Group's operations and to mitigate the effects of fluctuations in cash flows. The REIT Manager also monitors and observes the CIS Code issued by the MAS in respect of limits on total borrowings.

At the end of the reporting period, the Stapled Group's current liabilities exceeded its current assets by $109.0 million mainly due to the reclassification of its $100 million MTN from non-current liabilities as at 31 December 2016 to current liabilities as at 31 December 2017 as the $100 million MTN will be repayable in September 2018. The aforesaid $100 million MTN can be refinanced by issuing new MTN of the same amount under the $500 million Multicurrency MTN Programme, which has an undrawn balance of $400 million. The REIT Manager may also consider utilising other funding options such as the issuance of new Stapled Securities or perpetual securities to raise funds to repay the aforesaid $100 million MTN. As such, notwithstanding that the Stapled Group's current liabilities exceeded its current assets by $109.0 million at the end of the reporting period, the REIT Manager is of the view that the Stapled Group will be able to meet its liabilities as and when they fall due.

At the end of the reporting period, the Stapled Group maintains the following lines of credit:

- $330 million (2016: $330 million) secured Term Loan Facility I comprising term loan facility A of $140 million (2016: $140 million) and Revolving Credit Facility of $50 million (2016: $50 million), which are fully repayable by way of a bullet repayment on 1 February 2020; and term loan facility B of $140 million (2016: $140 million), which is fully repayable by way of a bullet repayment on 1 February 2021. At the end of the reporting period, term loan facility A and term loan facility B have been fully drawn down and $15 million (2016: $14 million) of the Revolving Credit Facility has been utilised;

- $73 million (2016: $73 million) secured Term Loan Facility II, which is fully repayable by way of a bullet repayment on 24 November 2020. At the end of the reporting period, this facility has been fully drawn down;

- $22 million (2016: $22 million) secured Term Loan Facility III, which is fully repayable by way of a bullet repayment on 11 January 2022. At the end of the reporting period, this facility has been fully drawn down;

- $35 million (2016: $Nil) secured Term Loan Facility IV, which is fully repayable by way of a bullet repayment on 22 May 2022. At the end of the reporting period, this facility has been fully drawn down; and

- $100 million (2016: $100 million) in principal amount of unsecured Series 001 Notes issued under the MTN Programme, which will mature on 18 September 2018.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Between 2 to 5 years $'000
VI-REIT Group				
2017				
Non-derivative financial liabilities				
Trade and other payables (a)	31,706	(31,706)	(23,006)	(8,700)
Interest-bearing borrowings	520,544	(562,606)	(115,121)	(447,485)
	552,250	(594,312)	(138,127)	(456,185)
Derivative financial instruments				
Interest rate swaps	2,589	(2,589)	(113)	(2,476)
	554,839	(596,901)	(138,240)	(458,661)
2016				
Non-derivative financial liabilities				
Trade and other payables (a)	36,069	(36,069)	(28,083)	(7,986)
Interest-bearing borrowings	461,509	(510,389)	(14,144)	(496,245)
	497,578	(546,458)	(42,227)	(504,231)
Derivative financial instruments				
Interest rate swaps	1,778	(1,778)	–	(1,778)
	499,356	(548,236)	(42,227)	(506,009)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Between 2 to 5 years $'000
Stapled Group				
2017				
Non-derivative financial liabilities				
Trade and other payables (a)	31,711	(31,711)	(23,011)	(8,700)
Interest-bearing borrowings	520,544	(562,606)	(115,121)	(447,485)
	552,255	(594,317)	(138,132)	(456,185)
Derivative financial instruments				
Interest rate swaps	2,589	(2,589)	(113)	(2,476)
	554,844	(596,906)	(138,245)	(458,661)
2016				
Non-derivative financial liabilities				
Trade and other payables (a)	36,075	(36,075)	(28,089)	(7,986)
Interest-bearing borrowings	461,509	(510,389)	(14,144)	(496,245)
	497,584	(546,464)	(42,233)	(504,231)
Derivative financial instruments				
Interest rate swaps	1,778	(1,778)	–	(1,778)
	499,362	(548,242)	(42,233)	(506,009)

(a) Excluding rental received in advance, property tax payable and GST payable

24 FINANCIAL RISK MANAGEMENT (CONT'D)

The maturity analyses show the contractual undiscounted cash flows of the financial liabilities of VI-REIT Group and the Stapled Group on the basis of their earliest possible contractual maturity. Derivative financial instruments held are normally not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled.

The financial assets of VI-REIT Group and the Stapled Group are either repayable on demand or due within one year from the end of the reporting period.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect VI-REIT Group's and the Stapled Group's total return or the value of their holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

VI-REIT Group's and the Stapled Group's exposure to changes in interest rates relate primarily to interest-bearing financial liabilities. This risk is managed by the REIT Manager on an on-going basis with the primary objective of limiting the extent to which the finance costs could be affected by an adverse movement in the market interest rates.

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments was as follows:

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Fixed rate instruments						
Medium Term Notes (principal amount)	100,000	100,000	100,000	100,000	–	–
Variable rate instruments						
Floating rate borrowings (principal amount)	425,000	367,000	425,000	367,000	–	–
Interest rate swaps (notional amount)	(343,000)	(320,000)	(343,000)	(320,000)	–	–

The REIT Manager's strategy to manage the risk of potential interest rate volatility may be through the use of interest rate hedging instruments and/or fixed rate borrowings. The REIT Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges, after taking into account the prevailing market conditions.

Derivative financial instruments are used to manage exposures to interest rate risk arising from financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Sensitivity analysis for variable rate instruments

For the variable rate instruments, a change of 100 basis points (bp) in interest rate at the end of the reporting period would have increased/(decreased) total return and unitholders' funds (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	VI-REIT Group and Stapled Group			
	Statement of Total Return		Unitholders' funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
2017				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(5,424)	5,424	(5,424)	5,424
Interest rate swaps				
- Interest expense	3,340	(3,340)	3,340	(3,340)
- Change in fair value of derivative financial instruments	4,200	(4,200)	4,200	(4,200)
Cash flow sensitivity (net)	2,116	(2,116)	2,116	(2,116)

	VI-REIT Group and Stapled Group			
	Statement of Total Return		Unitholders' funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
2016				
Variable rate instruments				
Interest-bearing borrowings				
- Interest expense	(4,445)	4,445	(4,445)	4,445
Interest rate swaps				
- Interest expense	2,454	(2,454)	2,454	(2,454)
- Change in fair value of derivative financial instruments	5,800	(5,800)	5,800	(5,800)
Cash flow sensitivity (net)	3,809	(3,809)	3,809	(3,809)

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair values

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Loans and receivables $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
VI-REIT Group					
2017					
Financial assets					
Loans and receivables (a)	8,260	–	–	8,260	8,260
Cash and cash equivalents	9,444	–	–	9,444	9,444
	17,704	–	–	17,704	17,704
Financial liabilities					
Interest-bearing borrowings	–	–	(520,544)	(520,544)	(521,157)
Trade and other payables (b)	–	–	(31,706)	(31,706)	(31,706)
Derivative financial instruments	–	(2,589)	–	(2,589)	(2,589)
	–	(2,589)	(552,250)	(554,839)	(555,452)
2016					
Financial assets					
Loans and receivables (a)	7,695	–	–	7,695	7,695
Cash and cash equivalents	30,428	–	–	30,428	30,428
	38,123	–	–	38,123	38,123
Financial liabilities					
Interest-bearing borrowings	–	–	(461,509)	(461,509)	(461,304)
Trade and other payables (b)	–	–	(36,069)	(36,069)	(36,069)
Derivative financial instruments	–	(1,778)	–	(1,778)	(1,778)
	–	(1,778)	(497,578)	(499,356)	(499,151)

24 FINANCIAL RISK MANAGEMENT (CONT'D)

	Loans and receivables $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Stapled Group					
2017					
Financial assets					
Loans and receivables (a)	8,260	–	–	8,260	8,260
Cash and cash equivalents	9,472	–	–	9,472	9,472
	17,732	–	–	17,732	17,732
Financial liabilities					
Interest-bearing borrowings	–	–	(520,544)	(520,544)	(521,157)
Trade and other payables (b)	–	–	(31,711)	(31,711)	(31,711)
Derivative financial instruments	–	(2,589)	–	(2,589)	(2,589)
	–	(2,589)	(552,255)	(554,844)	(555,457)
2016					
Financial assets					
Loans and receivables (a)	7,695	–	–	7,695	7,695
Cash and cash equivalents	30,462	–	–	30,462	30,462
	38,157	–	–	38,157	38,157
Financial liabilities					
Interest-bearing borrowings	–	–	(461,509)	(461,509)	(461,304)
Trade and other payables (b)	–	–	(36,075)	(36,075)	(36,075)
Derivative financial instruments	–	(1,778)	–	(1,778)	(1,778)
	–	(1,778)	(497,584)	(499,362)	(499,157)

(a) Excluding prepayments, deferred expenses and accrued revenue

(b) Excluding rental received in advance, property tax payable and GST payable

The Stapled Group has an established control framework with respect to the measurement of fair values. This framework includes a team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The team regularly reviews significant unobservable inputs and valuation adjustments applied in the fair value measurements. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy that the resulting fair value estimate should be classified.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities that VI-REIT Group and the Stapled Group can access at the measurement date;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3**: unobservable inputs for the asset or liability.

Financial assets and liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
VI-REIT Group and Stapled Group				
2017				
Derivative financial instruments	–	(2,589)	–	(2,589)
2016				
Derivative financial instruments	–	(1,778)	–	(1,778)

25 COMMITMENTS

Capital commitments

At the end of the reporting period, VI-REIT Group and the Stapled Group have capital commitments of $3.5 million (2016: $13.2 million) comprising $3.0 million payable for vehicular access rights over the ramp and certain parts of the property adjoining to 30 Pioneer Road; and $0.5 million in respect of capital expenditure at Viva Business Park.

Included in the capital commitments of $13.2 million as at 31 December 2016 was $2.4 million contracted with a related party of the REIT Manager in relation to asset enhancement works at Viva Business Park.

Operating lease rental receivable

Non-cancellable operating lease rentals are receivable as follows:

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Within 1 year	95,056	85,262	95,056	85,262	–	–
After 1 year but within 5 years	169,778	146,571	169,778	146,571	–	–
After 5 years	57,397	63,989	57,397	63,989	–	–
	322,231	295,822	322,231	295,822	–	–

The above operating lease rental receivables are based on the fixed component of the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

26 RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Stapled Group if the Stapled Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities.

The REIT Manager, the Trustee-Manager, the Property Manager and the Stapled Group are entities under common control.

In the normal course of the operations of VI-REIT, the REIT Manager's fees and the REIT Trustee's fees have been paid or are payable to the REIT Manager and the REIT Trustee, respectively. Property and lease management fees are payable to the Property Manager, a related party of the REIT Manager.

The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions carried out on terms agreed between the parties:

	Stapled Group		VI-REIT Group		VI-BT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Rental income and utilities charges received/ receivable from:						
– the REIT Manager	210	204	210	204	–	–
– a related party of the REIT Manager	1,937	1,922	1,937	1,922	–	–
Construction costs paid/payable to a related party of the REIT Manager	1,240	16,457	1,240	16,457	–	–
Acquisition fee paid to the REIT Manager in relation to the acquisition of an investment property	873	450	873	450	–	–
Marketing commission paid/ payable to the Property Manager	1,398	1,437	1,398	1,437	–	–
Project management fee paid/ payable to the Property Manager	181	400	181	400	–	–

27 DETERMINATION OF FAIR VALUES

A number of the Stapled Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment properties

The fair values of investment properties are based on independent valuations undertaken. Further information is set out in Note 5.

(ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoiced amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and for disclosure purposes, at the end of each reporting period.

(iii) Derivatives

The fair values of interest rate swaps (Level 2 fair values) are based on valuations provided by the counterparty banks, which are determined based on the discounted future cash flows using the applicable yield curve for the remaining duration of the interest rate swaps and interest rates implied from observable market inputs such as market interest rates yield curves and contracted interest rates discounted at a rate that reflects the credit risk of the counterparties.

(iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value at initial recognition, net of transaction costs and for disclosure purposes, at the end of each reporting period. The fair values of non-derivative financial liabilities with a maturity of less than one year are assumed to approximate their carrying values because of the short period to maturity. The fair values of other non-derivative financial liabilities are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

27 DETERMINATION OF FAIR VALUES (CONT'D)

Fair value hierarchy

Fair value and fair value hierarchy information of financial instruments are disclosed in Note 24.

The table below analyses fair value measurements for non-financial assets carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities that VI-REIT Group and the Stapled Group can access at the measurement date;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3**: unobservable inputs for the asset or liability.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
VI-REIT Group and Stapled Group				
2017				
Investment properties	–	–	1,284,700	1,284,700
2016				
Investment properties	–	–	1,199,700	1,199,700

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	VI-REIT Group and Stapled Group	
	2017 $'000	2016 $'000
Investment properties		
At beginning of the year	1,199,700	1,123,200
Acquisition (including acquisition-related costs)	96,318	52,235
Stamp duty	311	156
Capital expenditure	8,828	23,937
Change in fair value recognised in statement of total return	(20,457)	172
At end of the year	1,284,700	1,199,700

27 DETERMINATION OF FAIR VALUES (CONT'D)

The following table shows the key unobservable inputs used in the valuation models as at the end of the reporting period:

Type	Key unobservable inputs 2017	Key unobservable inputs 2016	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties			
Business parks, hotel and industrial properties	Capitalisation rates (from 5.25% to 6.75%) Discount rate (8%)	Capitalisation rates (from 5.75% to 7.25%) Discount rate (8%)	The estimated fair value would decrease as the capitalisation rates and discount rates increase

Valuation process applied by the Stapled Group

The fair value of investment properties is determined by external independent property valuers, having the appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuation of VI-REIT Group's and the Stapled Group's investment properties is carried out at least once a year.

Key unobservable inputs

Key unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

- Capitalisation rate corresponds to a rate of return on investment properties based on the expected income that the property will generate.

28 FINANCIAL RATIOS

	Stapled Group		VI-REIT Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Operating expenses [1]				
– including performance component of the REIT Manager's fees	10,405	7,423	10,400	7,417
– excluding performance component of the REIT Manager's fees	9,163	7,423	9,158	7,417

	Stapled Group		VI-REIT Group	
	2017 %	2016 %	2017 %	2016 %
Expenses to weighted average net assets [2]				
– including performance component of the REIT Manager's fees	1.37	1.05	1.37	1.04
– excluding performance component of the REIT Manager's fees	1.20	1.05	1.21	1.04
Portfolio turnover rate [3]	–	–	–	–

[1] The expenses used in the computation relate to expenses of VI-REIT Group and the Stapled Group, excluding property expenses, interest expense, amortisation of intangible assets, and income tax expense of each entity, if applicable.

[2] The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore.

[3] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of VI-REIT Group and the Stapled Group expressed as a percentage of daily average net asset value.

29 SUBSEQUENT EVENTS

(a) On 28 January 2018, the REIT Manager and the Trustee-Manager (collectively, the "Managers") received a non-binding proposal from ESR Funds Management (S) Limited, as manager of ESR-REIT (the "ESR Manager") in relation to the proposed merger of the Stapled Group and ESR-REIT (the "Proposed Merger") and entered into exclusive discussions with the ESR Manager in relation to the Proposed Merger. At the date of authorisation of these financial statements, the Managers' exclusive discussions with the ESR Manager in relation to the Proposed Merger are still ongoing and no definitive legally binding agreements have been entered into with ESR-REIT or the ESR Manager in relation to the Proposed Merger.

(b) On 21 February 2018, the credit ratings assigned by Moody's Investors Service as disclosed in Note 10 and Note 13 had been withdrawn following the amendment to Appendix 6 of the CIS Code for REITs to adopt a single-tier leverage limit of 45% without the requirement for a credit rating.

(c) On 28 February 2018, VI-REIT Group and the Stapled Group paid a distribution of approximately $18,062,000 or 1.857 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 October 2017 to 31 December 2017.

FINANCIAL STATEMENTS OF THE TRUSTEE-MANAGER

VIVA ASSET MANAGEMENT PTE. LTD.

(Registration No. 201316690M)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the Company for the financial year ended 31 December 2017.

In the opinion of the directors, the financial statements set out on pages 173 to 183 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, with the continuing financial support from its immediate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Ang Poh Seong
Tan Hai Peng Micheal
Tan Kim Seng
Leong Horn Kee
Teo Cheng Hiang Richard
Ronald Lim Cheng Aun
Choong Chow Siong

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act (the "Act") except as follows:

	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
Name of directors and companies in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
The Company				
Tan Hai Peng Micheal				
– Ordinary Shares	–	–	100	100
Intermediate Holding Company, Maxi Capital Pte. Ltd.				
Ang Poh Seong				
– Ordinary Shares	420	420	–	–
– Preference Shares	272	272	–	–
Immediate Holding Company, Viva Investment Management Pte. Ltd.				
Tan Hai Peng Micheal				
– Ordinary Shares	–	–	402,778	402,778
Tan Kim Seng				
– Ordinary Shares	–	–	241,667	–

By virtue of Section 7 of the Act, Tan Hai Peng Micheal is deemed to have an interest in all the other subsidiaries of Viva Investment Management Pte Ltd, at the beginning and at the end of the financial year.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company was granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company under option.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Ang Poh Seong

Leong Horn Kee

Singapore
26 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF VIVA ASSET MANAGEMENT PTE. LTD.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Viva Asset Management Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 173 to 183.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 167 to 169.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF VIVA ASSET MANAGEMENT PTE. LTD.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF VIVA ASSET MANAGEMENT PTE. LTD.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2018

STATEMENT OF FINANCIAL POSITION

31 December 2017

	Note	2017 $	2016 $
ASSET			
Current asset			
Cash and cash equivalents	7	10,385	12,528
Total asset		10,385	12,528
LIABILITY AND NET CAPITAL DEFICIENCY			
Current liability			
Accruals and other payables	8	48,407	43,057
Capital and accumulated losses			
Share capital	9	100	100
Accumulated losses		(38,122)	(30,629)
Net capital deficiency		(38,022)	(30,529)
Total liability and net capital deficiency		10,385	12,528

See accompanying notes to financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	2017 $	2016 $
Administrative expenses		(7,493)	(7,814)
Loss before income tax		(7,493)	(7,814)
Income tax	10	–	–
Loss for the year, representing total comprehensive loss for the year	11	(7,493)	(7,814)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

	Share capital $	Accumulated losses $	Total $
Balance as at 1 January 2016	100	(22,815)	(22,715)
Loss for the year, representing total comprehensive loss for the year	–	(7,814)	(7,814)
Balance as at 31 December 2016	100	(30,629)	(30,529)
Loss for the year, representing total comprehensive loss for the year	–	(7,493)	(7,493)
Balance as at 31 December 2017	100	(38,122)	(38,022)

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 December 2017

	Note	2017 $	2016 $
Operating activities			
Loss before income tax, representing net cash used in operating activities		(7,493)	(7,814)
Financing activities			
Advances from immediate holding company		–	7,764
Advances from related company	8	5,350	–
Net cash from financing activities		5,350	7,764
Net decrease in cash and cash equivalents		(2,143)	(50)
Cash and cash equivalents at beginning of the year		12,528	12,578
Cash and cash equivalents at end of the year (Note 7)		10,385	12,528

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

1 GENERAL

The Company (Registration No. 201316690M) is incorporated in Singapore with its principal place of business and registered office at 750 Chai Chee Road, #04-03 Viva Business Park, Singapore 469000. The financial statements are expressed in Singapore dollars, which is the Company's functional currency.

The principal activity of the Company is to act as the trustee-manager of Viva Industrial Business Trust ("VI-BT"), a business trust registered under the Business Trusts Act, Chapter 31A of Singapore. VI-BT is part of Viva Industrial Trust ("VIT"), a stapled group comprising Viva Industrial Real Estate Investment Trust and VI-BT, which is listed on Singapore Exchange Securities Trading Limited. VI-BT has been inactive since the listing of VIT and it does not own any properties.

The financial statements of the Company for the year ended 31 December 2017 were authorised for issue by the Board of Directors on 26 March 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS – On 1 January 2017, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs did not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*.

Management has considered and is of the view that the adoption of the new/revised FRSs, INT FRSs and amendments to FRS that are issued as at the date of authorisation of these financial statements but effective only in future periods will have no material impact on the financial statements in the period of their initial adoption.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the receivables have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged or cancelled or when they expire.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents comprise cash at bank that are subject to an insignificant risk of changes in value.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Company's accounting policies

Management is of the opinion that there has been no critical judgement in applying accounting policies which has a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2017	2016
	$	$
Financial assets		
Loans and receivables (including cash and cash equivalents)	10,385	12,528
Financial liabilities		
Payables at amortised cost	48,407	43,057

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Company does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

Management monitors and manages the financial risks relating to the operations of the Company to ensure appropriate measures are implemented in a timely and effective manner.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures these risks.

The Company is not exposed to any significant foreign exchange risk and interest rate risk. Accordingly, no sensitivity analysis is presented. Cash and cash equivalents are deposited with a reputable bank.

Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

As at 31 December 2017, the Company's total liabilities exceeded its total assets by $38,022 (2016 : $30,529). The Company is dependent on its immediate holding company for continued financial support and management is satisfied that the financial support will be available when required.

All financial assets and financial liabilities of the Company are either repayable on demand or due within one year from the end of the reporting period, and are non-interest bearing.

Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(d) Capital management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises its issued capital (Note 9) and amounts provided by its immediate holding company (Note 8). The Company's capital management strategy remains unchanged from 2016.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Viva Investment Management Pte. Ltd., incorporated in Singapore. The Company's intermediate and ultimate holding companies are Maxi Capital Pte. Ltd. and Shanghai Summit Pte. Ltd., respectively, both incorporated in Singapore. Related companies in these financial statements refer to members of the ultimate holding company's group of companies. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

There were no significant transactions between the Company and related companies during the financial year.

6 RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, there were no significant related party transactions other than those disclosed elsewhere in the financial statements.

Compensation of directors and key management personnel

There are no key management personnel apart from the Company's directors who received remuneration from a related company in their capacities as directors and/or executives.

7 CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank	10,385	12,528

8 ACCRUALS AND OTHER PAYABLES

	2017 $	2016 $
Non-trade amounts due to:		
– immediate holding company (Note 5)	37,707	37,707
– related company (Note 5)	5,350	–
Accrued operating expenses	5,350	5,350
	48,407	43,057

8 ACCRUALS AND OTHER PAYABLES (cont'd)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	1 January 2017 $	Financing cash flow $	31 December 2017 $
Non-trade amount due to related company	–	5,350	5,350

9 SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		$	$
Issued and paid up:				
At beginning and end of the year	100	100	100	100

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

10 INCOME TAX

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable income for the year.

The income tax for the year can be reconciled to the accounting loss as follows:

	2017 $	2016 $
Loss before tax	(7,493)	(7,814)
Tax at the domestic income tax rate of 17% (2016 : 17%)	(1,274)	(1,328)
Tax effect of current year tax loss not eligible to be carried forward	1,274	1,328
	–	–

11 LOSS FOR THE YEAR

The Company did not have any employees and accordingly, no employee benefits expense (including directors' remuneration) was incurred as the administrative support is provided by a related company.

DIRECTORS' INTERESTS IN STAPLED SECURITIES

As at 31 December 2017 and 21 January 2018

	Direct Interests		Deemed Interests	
Name of Director	No. of Stapled Securities	%*	No. of Stapled Securities	%*
Ang Poh Seong	2,269,835	0.23	–	–
Leong Horn Kee	64,000	0.01	–	–
Teo Cheng Hiang Richard	200,000	0.02	–	–
Ronald Lim Cheng Aun	93,000	0.01	–	–
Tan Hai Peng Micheal	–	–	79,821,731[1][2]	8.21
Tan Kim Seng	–	–	1,587,304[3]	0.16
Tong Jinquan	54,745,285	5.63	430,115,630[4][5]	44.22

* Computed based on total number of issued Stapled Securities as at 31 December 2017 and 21 January 2018 of 972,658,241.

(1) Mr Tan Hai Peng Micheal is a beneficiary of Ho Lee Group Trust ("HLGT") and is therefore, deemed to be interested in the Stapled Securities held by Perpetual (Asia) Limited, in its capacity as trustee of HLGT.

(2) Mr Tan Hai Peng Micheal owns 20.0% equity interest in Teck Lee Holdings Pte. Ltd., which in turn owns 81.25% equity interest in Ho Lee Group Pte. Ltd. ("HLGPL"). HLGPL owns 27.78% equity interest in Viva Investment Management Pte. Ltd. ("VIMPL"), which in turn owns 100.0% equity interest in both Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager") and Viva Real Estate Asset Management Pte. Ltd. (the "Property Manager"). Therefore, Mr Tan Hai Peng Micheal is deemed to be interested in the Stapled Securities held by HLGPL, the REIT Manager and the Property Manager.

(3) Mr Tan Kim Seng owns 24.0% equity interest in Kim Seng Holdings Pte Ltd ("KSHPL") and is therefore, deemed to be interested in the Stapled Securities held by KSHPL.

(4) Mr Tong Jinquan owns 100.0% equity interest in Shanghai Summit (Group) Co., Ltd., which in turn owns 100.0% equity interest in Longemont Real Estate Pte. Ltd., which in turn owns 100.0% equity interest in Leading Wealth Global Inc. ("LWG"). Therefore, Mr Tong Jinquan is deemed to be interested in the Stapled Securities held by LWG.

(5) Mr Tong Jinquan owns 100.0% equity interest in Shanghai Summit Pte. Ltd., which in turn owns 62.0% equity interest in Maxi Capital Pte. Ltd. ("MCPL"). MCPL owns 55.55% equity interest in VIMPL, which in turn owns 100.0% equity interest in both the REIT Manager and the Property Manager. Therefore, Mr Tong Jinquan is deemed to be interested in the Stapled Securities held by the REIT Manager and the Property Manager.

There were no changes in the Directors' interests in Stapled Securities between 31 December 2017 and 21 January 2018.

STATISTICS OF HOLDINGS OF STAPLED SECURITIES

As at 13 March 2018

Type	:	Stapled securities
Voting rights	:	One vote per unit of stapled securities
No. of units of stapled securities	:	972,658,241
Market Capitalisation	:	S$865,665,834

(based on closing price of S$0.89 as at 13 March 2018)

DISTRIBUTION OF STAPLED SECURITYHOLDINGS

SIZE OF STAPLED SECURITYHOLDINGS	NO. OF STAPLED SECURITYHOLDERS	%	NO. OF STAPLED SECURITIES	%
1 – 99	7	0.16	314	0.00
100 – 1,000	492	11.51	449,154	0.05
1,001 – 10,000	1,966	45.98	12,974,583	1.33
10,001 – 1,000,000	1,767	41.32	97,896,999	10.06
1,000,001 AND ABOVE	44	1.03	861,337,191	88.56
TOTAL	**4,276**	**100.00**	**972,658,241**	**100.00**

TWENTY LARGEST STAPLED SECURITYHOLDERS

NO.	NAME	NO. OF STAPLED SECURITIES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	470,742,719	48.40
2	DB NOMINEES (SINGAPORE) PTE LTD	73,917,487	7.60
3	DBS NOMINEES (PRIVATE) LIMITED	67,990,979	6.99
4	RHB SECURITIES SINGAPORE PTE. LTD.	38,093,038	3.92
5	UNITED ENGINEERS DEVELOPMENTS PTE LTD	29,700,000	3.05
6	HSBC (SINGAPORE) NOMINEES PTE LTD	26,407,800	2.72
7	MEIBAN INVESTMENT PTE LTD	24,444,142	2.51
8	RAFFLES NOMINEES (PTE) LIMITED	14,897,121	1.53
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	11,447,131	1.18
10	HONG LEONG FINANCE NOMINEES PTE LTD	10,908,678	1.12
11	PHANG SAY LANG	9,742,623	1.00
12	GOH TIONG YONG	8,568,914	0.88
13	UOB KAY HIAN PRIVATE LIMITED	6,787,513	0.70
14	BEIJING HUALIAN HYPERMARKET (SINGAPORE) PURCHASING PTE LTD	6,300,000	0.65
15	KGI SECURITIES (SINGAPORE) PTE. LTD.	5,388,100	0.55
16	PHILLIP SECURITIES PTE LTD	3,862,284	0.40
17	PANG SEH FONG	3,822,555	0.39
18	M3 CAPITAL PTE LTD	3,400,000	0.35
19	DBSN SERVICES PTE. LTD.	3,256,630	0.33
20	OCBC SECURITIES PRIVATE LIMITED	3,208,056	0.33
	TOTAL	**822,885,770**	**84.60**

STATISTICS OF HOLDINGS OF STAPLED SECURITIES

As at 13 March 2018

REGISTER OF SUBSTANTIAL HOLDERS OF STAPLED SECURITIES

As at 13 March 2018

	Direct Interests		Deemed Interests	
Name	No. of Stapled Securities	%	No. of Stapled Securities	%
Leading Wealth Global Inc. ("LWG")	418,881,174	43.07	–	–
Tong Jinquan	54,745,285	5.63	430,115,630[1][2]	44.22
Longemont Real Estate Pte. Ltd. ("LRE")	–	–	418,881,174[1]	43.07
Shanghai Summit (Group) Co., Ltd. ("SSG")	–	–	418,881,174[1]	43.07
Perpetual (Asia) Limited, in its capacity as trustee of Ho Lee Group Trust ("HLGT Trustee")	65,941,771	6.78	–	–
Tan Thuan Teck	342,900	0.04	79,821,731[3][4]	8.21
Tan Hai Seng Benjamin	–	–	79,821,731[3][4]	8.21
Tan Hai Peng Micheal	–	–	79,821,731[3][4]	8.21
Ong Yew Lee	–	–	65,941,771[3]	6.78
Tan Yong Hiang Priscilla	–	–	65,941,771[3]	6.78
Seow Whye Pheng	–	–	65,941,771[3]	6.78
Seow Hwye Min	–	–	65,941,771[3]	6.78
Seow Whye Teck	355,000	0.04	65,941,771[3]	6.78
Seow Hwye Tiong	–	–	65,941,771[3]	6.78
Loh Guik Kiang	–	–	65,941,771[3]	6.78

Notes:

(1) LWG is a wholly-owned subsidiary of LRE, which is in turn wholly-owned by SSG, which is in turn wholly-owned by Tong Jinquan. Therefore, each of Tong Jinquan, LRE and SSG is deemed to be interested in the Stapled Securities held by LWG.

(2) Shanghai Summit Pte. Ltd. (which is wholly-owned by Tong Jinquan) owns 62.0% equity interest in Maxi Capital Pte. Ltd., which in turn owns 55.55% equity interest in Viva Investment Management Pte. Ltd. ("VIMPL"), which in turn owns 100.0% equity interest in both Viva Industrial Trust Management Pte. Ltd. (the "REIT Manager") and Viva Real Estate Asset Management Pte. Ltd. (the "Property Manager"). Therefore, Tong Jinquan is deemed to be interested in the 11,234,456 Stapled Securities held by the REIT Manager and the Property Manager.

(3) Each of Tan Thuan Teck, Tan Hai Seng Benjamin, Tan Hai Peng Micheal, Ong Yew Lee, Tan Yong Hiang Priscilla, Seow Whye Pheng, Seow Hwye Min, Seow Whye Teck, Seow Hwye Tiong and Loh Guik Kiang is a beneficiary of Ho Lee Group Trust and is therefore, deemed to be interested in the Stapled Securities held by HLGT Trustee.

(4) Each of Tan Thuan Teck, Tan Hai Seng Benjamin and Tan Hai Peng Micheal owns not less than 20.0% equity interest in Teck Lee Holdings Pte. Ltd., which in turn owns 81.25% equity interest in Ho Lee Group Pte. Ltd. ("HLGPL"). HLGPL owns 27.78% equity interest in VIMPL, which in turn owns 100.0% equity interest in both the REIT Manager and the Property Manager. Therefore, each of Tan Thuan Teck, Tan Hai Seng Benjamin and Tan Hai Peng Micheal is deemed to be interested in the 13,879,960 Stapled Securities held by HLGPL, the REIT Manager and the Property Manager.

PERCENTAGE OF HOLDINGS OF STAPLED SECURITIES IN THE HANDS OF PUBLIC

As at 13 March 2018, 37.20% of the stapled securities of Viva Industrial Trust is held in the hands of the public. Accordingly, Viva Industrial Trust has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

VIVA INDUSTRIAL TRUST

Comprising:

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST ("VI-REIT")
(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 ("VI-BT")
(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore)
managed by
Viva Asset Management Pte. Ltd.

NOTICE IS HEREBY GIVEN that the 5th Annual General Meeting ("AGM") of the holders of Stapled Securities of Viva Industrial Trust ("VIT") will be held at 750E Chai Chee Road, #03-01 Viva Business Park, Singapore 469005 on Friday, 20 April 2018 at 10.00 am to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of Viva Asset Management Pte. Ltd., as the trustee-manager of VI-BT (the "BT Trustee-Manager"), the Statement by the Chief Executive Officer of the BT Trustee-Manager, the Report of Perpetual (Asia) Limited, as the trustee of VI-REIT (the "REIT Trustee"), the Report of Viva Industrial Trust Management Pte. Ltd., as the manager of VI-REIT (the "REIT Manager") and the Audited Financial Statements of VIT, VI-REIT and VI-BT for the financial year ended 31 December 2017 and the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-appoint Messrs Deloitte & Touche LLP as Independent Auditor of VIT comprising VI-REIT and VI-BT to hold office until the conclusion of the next AGM of VIT and to authorise the REIT Manager and the BT Trustee-Manager to fix their remuneration. **(Resolution 2)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

3. That authority be and is hereby given to the REIT Manager and the BT Trustee-Manager, to **(Resolution 3)**

   (a) (1) issue new units in VI-REIT ("VI-REIT Units") and new units in VI-BT ("VI-BT Units", together the "Stapled Securities") whether by way of rights or otherwise; and/or

   (2) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities,

   at any time and upon such terms and conditions and for such purposes and to such persons as the REIT Manager and the BT Trustee-Manager may in their absolute discretion deem fit; and

   (b) issue Stapled Securities in pursuance of any Instrument made or granted by the REIT Manager and the BT Trustee-Manager while this Resolution is in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), provided that:

NOTICE OF ANNUAL GENERAL MEETING

(1) the aggregate number of Stapled Securities to be issued pursuant to this Resolution (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to this Resolution), shall not exceed fifty per cent (50%) of the total number of issued Stapled Securities (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Stapled Securities to be issued other than on a pro rata basis to Stapled Securityholders shall not exceed twenty per cent (20%) of the total number of issued Stapled Securities (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("SGX-ST") for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub paragraph (1) above, the total number of issued Stapled Securities shall be based on the number of issued Stapled Securities at the time this Resolution is passed, after adjusting for:

(i) any new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Stapled Securities;

(3) in exercising the authority conferred by this Resolution, the REIT Manager and the BT Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Business Trusts Act, Chapter 31A of Singapore for the time being in force (unless otherwise exempted or waived by The Monetary Authority of Singapore ("MAS")), the trust deed constituting VI-REIT (as amended) (the "REIT Trust Deed") for the time being in force (unless otherwise exempted or waived by MAS), the trust deed constituting VI-BT (the "BT Trust Deed") for the time being in force (unless otherwise exempted or waived by MAS) and the Stapling Deed entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager for the time being in force (unless otherwise exempted or waived by MAS);

(4) (unless revoked or varied by the Stapled Securityholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of VIT; or (ii) the date by which the next AGM of VIT is required by law to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Stapled Securities into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the REIT Manager and the BT Trustee-Manager are authorised to issue additional Instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments are issued; and

NOTICE OF ANNUAL GENERAL MEETING

(6) the REIT Manager, the REIT Trustee and the BT Trustee-Manager be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager, the REIT Trustee or, as the case may be, the BT Trustee-Manager may consider expedient or necessary or in the interest of VI-REIT, VI-BT and VIT as a whole to give effect to the authority conferred by this Resolution.

On behalf 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

5 April 2018

IMPORTANT NOTICE:

1. A Stapled Securityholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Stapled Securityholder.

2. Where a Stapled Securityholder appoints two proxies and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.

3. A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead. Where such Stapled Securityholder appoints more than two proxies, the number and class of Stapled Securities in relation to which each proxy has been appointed shall be specified in the proxy form.

   "relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore who holds Stapled Securities in that capacity; or

   (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

4. The proxy form must be lodged at the office of VIT's Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time set for holding the AGM.

EXPLANATORY NOTE ON ORDINARY RESOLUTION 3

The Ordinary Resolution 3 above, if passed, will empower the REIT Manager and the BT Trustee-Manager to issue Stapled Securities and to make or grant Instruments (such as warrants, debentures or other securities) convertible into Stapled Securities and issue Stapled Securities pursuant to such Instruments from the date of the AGM until (i) the conclusion of the next AGM of VIT; or (ii) the date by which the next AGM of VIT is required by the applicable regulations to be held, whichever is earlier, unless such authority is earlier revoked or varied by the Stapled Securityholders at a general meeting. The aggregate number of Stapled Securities which the REIT Manager and the BT Trustee-Manager may issue (including Stapled Securities to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued Stapled Securities of which up to twenty per cent. (20%) of the total number of issued Stapled Securities may be issued other than on a pro rata basis to Stapled Securityholders.

The Ordinary Resolution 3 above, if passed, will empower the REIT Manager and the BT Trustee-Manager from the date of the AGM until the date of the next AGM of VIT, to issue Stapled Securities as either partial or full payment of the fees which the REIT Manager, the Property Manager and the BT Trustee-Manager are entitled to receive for their own accounts pursuant to the REIT Trust Deed and BT Trust Deed, respectively.

For the purpose of determining the aggregate number of Stapled Securities that may be issued, the percentage of issued Stapled Securities will be calculated based on the total number of issued Stapled Securities at the time the Ordinary Resolution 3 above is passed, after adjusting for (i) new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and (ii) any subsequent bonus issue, consolidation or subdivision of Stapled Securities.

Fund raising by issuance of new Stapled Securities may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Stapled Securityholders is required under the Listing Manual of SGX-ST, the REIT Trust Deed, the BT Trust Deed and the Stapling Deed or any relevant laws and regulations in such instances, the REIT Manager and the BT Trustee-Manager will then obtain the approval of Stapled Securityholders accordingly.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Stapled Securityholder of VIT (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by VIT (or its agents) for the purpose of the processing and administration by VIT (or its agents) or proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for VIT (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative(s) to VIT (or its agents), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by VIT (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify VIT in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend and vote at the Annual General Meeting.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2018.

VIVA iTRUST

VIVA INDUSTRIAL TRUST

Comprising:

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST ("VI-REIT")
(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 ("VI-BT")
(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore)
managed by
Viva Asset Management Pte. Ltd.

PROXY FORM

ANNUAL GENERAL MEETING OF VIVA INDUSTRIAL TRUST

I/We _____ (Name(s) with

NRIC No./Passport No./Company Registration No.) _____

of _____ (Address)

being a Stapled Securityholder/Stapled Securityholders of Viva Industrial Trust ("VIT") hereby appoint:

Name	Address	NRIC No./ Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

and/or (delete as appropriate)

Name	Address	NRIC No./ Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

or, both of whom failing, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of VIT to be held at 750E Chai Chee Road, #03-01 Viva Business Park, Singapore 469005 on Friday, 20 April 2018 at 10.00 am or at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion.

	Ordinary Resolution	No. of Votes For*	No. of Votes Against*
Ordinary Business			
1.	Adoption of the BT Trustee-Manager's Report, the Statement by the Chief Executive Officer of the BT Trustee-Manager, the REIT Trustee's Report, the REIT Manager's Report and the Audited Financial Statements of VIT, VI-REIT and VI-BT for the financial year ended 31 December 2017 and the Independent Auditor's Report thereon.		
2.	Re-appointment of Independent Auditor and authorisation of the REIT Manager and the BT Trustee-Manager to fix the Independent Auditor's remuneration.		
Special Business			
3.	Authority to issue Stapled Securities and to make or grant convertible instruments.		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____day of _____ 2018

Total number of Stapled Securities held

_____

Signature(s) of Stapled Securityholder(s)/Common Seal of Corporate Stapled Securityholder

Fold this flap to seal

Postage will be paid by addressee. For posting in Singapore only

BUSINESS REPLY SERVICE
PERMIT NO. 09181

Viva Industrial Trust Management Pte Ltd
(as manager of Viva Industrial Real Estate Investment Trust)
&
Viva Asset Management Pte Ltd
(as trustee-manager of Viva Industrial Business Trust)

c/o: Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Fold here

Notes to Proxy Form

1. A Stapled Securityholder who is not a relevant intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Stapled Securityholder.
2. Where a Stapled Securityholder appoints more than one proxy, he/she must specify the proportion of his/her stapled securityholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Stapled Securityholder appoints two proxies and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.
3. A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead. Where such Stapled Securityholder appoints more than two proxies, the number and class of Stapled Securities in relation to which each proxy has been appointed shall be specified in the proxy form.
   "**relevant intermediary**" means:
   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore who holds Stapled Securities in that capacity; or
   (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A Stapled Securityholder should insert the total number of Stapled Securities held. If the Stapled Securityholder has Stapled Securities entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Stapled Securities. If no number is inserted, this form of proxy will be deemed to relate to all the Stapled Securities held by the Stapled Securityholder.
5. The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the Stapled Security Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for holding the Annual General Meeting.
6. The Proxy Form must be signed by the appointor or his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. VIT shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a Stapled Securityholder whose Stapled Securities are entered against his/her name in the Depository Register, VIT may reject any instrument appointing a proxy or proxies lodged if such Stapled Securityholder is not shown to have Stapled Securities entered against his/her name in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to VIT.
8. A Depositor shall not be regarded as a Stapled Securityholder of VIT entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Annual General Meeting in person. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Annual General Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting.

CORPORATE INFORMATION

REIT MANAGER
Viva Industrial Trust Management Pte. Ltd.

BT TRUSTEE-MANAGER
Viva Asset Management Pte. Ltd.

BUSINESS AND REGISTERED ADDRESS OF THE REIT MANAGER AND BT TRUSTEE-MANAGER
750 Chai Chee Road
#04-03 Viva Business Park
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T: +65 6229 5555
F: +65 6229 5550
W: www.vivaitrust.com

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Perpetual (Asia) Limited
8 Marina Boulevard
#05-02 Marina Bay Financial Centre Tower 1
Singapore 018981
T: +65 6908 8203
F: +65 6438 0255

BOARD OF DIRECTORS
Dr Leong Horn Kee
Chairman and Independent Non-Executive Director

Dr Choong Chow Siong
Independent Non-Executive Director

Mr Richard Teo Cheng Hiang
Independent Non-Executive Director

Mr Ronald Lim Cheng Aun
Independent Non-Executive Director

Mr Tong Jinquan
Non-Executive Director

Mr Micheal Tan Hai Peng
Non-Executive Director

Mr Tan Kim Seng
Non-Executive Director

Mr Wilson Ang Poh Seong
Chief Executive Officer and Executive Director

AUDIT & RISK COMMITTEE
Dr Choong Chow Siong
Chairman

Mr Ronald Lim Cheng Aun
Member

Mr Richard Teo Cheng Hiang
Member

INVESTMENT COMMITTEE
Mr Richard Teo Cheng Hiang
Chairman

Dr Leong Horn Kee
Member

Mr Ronald Lim Cheng Aun
Member

Mr Tong Jinquan
Member

Mr Micheal Tan Hai Peng
Member

Mr Tan Kim Seng
Member

Mr Wilson Ang Poh Seong
Member

NOMINATING & REMUNERATION COMMITTEE
Mr Ronald Lim Cheng Aun
Chairman

Dr Leong Horn Kee
Member

Dr Choong Chow Siong
Member

Mr Micheal Tan Hai Peng
Member

Mr Tan Kim Seng
Member

COMPANY SECRETARY
Ms Ang Siew Koon

UNIT REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
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Deloitte & Touche LLP
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F: +65 6538 6166

Partner-in-charge:
Mr Xu Jun
(Appointed on 16 November 2015)

INTERNAL AUDITOR
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PRINCIPAL BANKERS
Standard Chartered Bank
BNP Paribas
United Overseas Bank Limited
Hong Leong Finance Limited
RHB Bank Singapore
Malayan Banking Berhad, Singapore



VIVA INDUSTRIAL TRUST MANAGEMENT PTE. LTD.
Registration Number: 201204203W

VIVA ASSET MANAGEMENT PTE. LTD.
Registration Number: 201316690M

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